

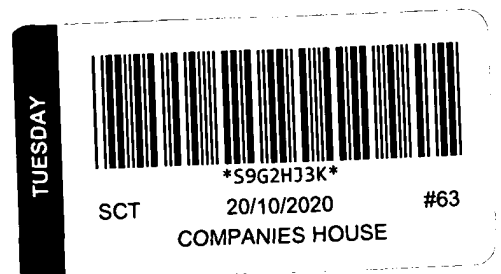
**THE PASTORAL FOUNDATION**  
**A Company limited by guarantee with charitable status**  
**and not having a Share Capital**

**(Charity Registration No. SC008875)**

**(Company Registration No. SC122762)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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



## THE PASTORAL FOUNDATION

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### FINANCIAL STATEMENTS For the year ended 31 March 2020

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**Reference and Administrative Details**

Company Name	The Pastoral Foundation (operating as PF Counselling Service)
Charity registration number:	SC008875
Company registration number:	SC122762
Trustees	Dick Manson (Chair) Janet Buncle Judith Fewell Matthew Haggis Alison Hampton Dan Kelpie Katie Lindsay (retired 19 April 2019) Chris Brown (appointed 19 April 2019) Naomi Walker
Secretary	Matthew Haggis
Treasurer	Dan Kelpie
Director of Counselling	Alison Hampton
Bankers	Bank of Scotland 8 Morningside Road Edinburgh EH10 4DD
Independent Examiner	Allison Neill James Anderson & Co Chartered Accountants (ICAS) Pentland Estate Straiton Edinburgh EH20 9QH
Registered Office:	8 Balcarres Street Edinburgh EH10 5JB

**Trustees' Annual Report (including Directors Report)  
For the year ended 31 March 2020**

The trustees who are also the directors present their annual report together with the financial statements of the Charity for the year ending 31 March 2020.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

**Trustees of the Charity**

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows.

Trustees	Dick Manson (Chair)
	Janet Buncle
	Judith Fewell
	Matthew Haggis
	Alison Hampton
	Dan Kelpie
	Katie Lindsay (retired 19 April 2019)
	Chris Brown (appointed 19 April 2019)
	Naomi Walker

**Chair's Report**

It is a great privilege to present the Annual Accounts and Directors' Report for PF Counselling Service for 2019/20.

Because of the fantastic commitment of our volunteers - some 173 of them - PF Counselling Service has been able to provide even more counselling sessions to clients than ever before. Our 134 volunteer counsellors have been able to provide more than 14,700 sessions to support 794 clients during the last year. That all these people are willing to donate their time, professional skills and their enthusiasm to support so many individuals during their time of distress is truly astounding.

There is even more voluntary help, as our counsellors and clients are supported by 39 other volunteers - such as receptionists, book-keeper and trustees - all giving up their time to support our clients. None of this would work without the efforts of our small dedicated team of staff, and without our clinical supervisors.

This dedication was recognised with the Queen's Award for Voluntary Service announced in the Queen's Birthday Honours on 2 June 2019. This award is the highest award given to local volunteer groups across the UK to recognise outstanding work done in their communities, and was created in 2002 to celebrate the anniversary of The Queen's Coronation. There is a rigorous selection process on the benefit a voluntary group brings to the local community and its standing within that community, and so this prestigious award is a tribute to all the volunteers, staff and supporters who pull together to make PF counselling such a valued resource for so many people who need help.

Of course, to make all this work we rely on donations, so we are very grateful for the many donations from clients, supporters and from NHS Lothian.

Unfortunately, in March the effects of the Covid19 restrictions meant we have had to support and guide clients, volunteers and staff throughout all the operational changes that were necessary to keep our counselling services going. I am very impressed at how readily everyone adapted to working online.

On behalf of all the Trustees I would like to thank everyone for their continued support.

Dick Manson  
Chair

**Trustees' Annual Report' (Continued)**  
**For the year ended 31 March 2020**

**Our Objectives and Activities**

The charitable objectives of the charity 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 vision that shapes our annual activities remains the determination to be a counselling service that is recognised as:

- the most effective and professionally run voluntary counselling agency in Scotland
- attracting the best and most committed volunteer counsellors and offering them the best professional support
- enabling the widest possible range of clients to access life-changing talking therapies regardless of their ability to pay.

Our work impacts directly on the resilience of the communities in which our clients live. We offer support that can transform someone from being a burden to friends and family, and a drain on society, into a full contributor to the life of Scotland. Our counselling service can and has enabled clients to re-engage with full employment, to re-establish happy personal lives, and to re-enter the community life from which they may have been distanced.

The activities undertaken to achieve the charity's objectives fall into three main areas:

**Providing Professional Counselling to the Citizens of Edinburgh and the Lothians**

- Running a counselling service (known as the PF Counselling Service) for those from across Edinburgh and the Lothians who are in need of counselling and psychotherapy. This includes providing and maintaining suitable premises, and providing appropriate administration to support everyone involved with an efficient use of resources.
- Contracting with freelance professionals to provide practice supervision for our counsellors, in line with the standards laid down by COSCA, the professional accrediting body in Scotland.
- Fundraising to support all our activities.

**Supporting Volunteers and Volunteering**

- Providing opportunities for counsellors and psychotherapists who are qualified to Diploma level or above to use and develop their skills by volunteering in a professional counselling practice.
- Offering and promoting a range of continuing professional development training opportunities relevant to the work of the counsellors, which are sometimes open to counsellors from other agencies.
- Training and supporting non-counselling volunteers to provide vital receptionist and other services on the premises.

**Engaging with and Supporting the Counselling Profession**

- Providing and supporting counselling practice placements to students at an appropriate stage of a professional training in counselling and psychotherapy.
- Working with other organisations and agencies, such as COSCA and Edinburgh Voluntary Sector Counselling Services Forum, to promote and support the work of counselling.

**Trustees' Annual Report (Continued)**  
**For the year ended 31 March 2020****Achievements and Performance**

During the year 137 counsellors offered 14,732 possible sessions to 794 clients. Taking into consideration sessions which have to be cancelled or missed, the total number attended was 11,868. This is more counsellors and more sessions than the PF Counselling Service (PF) has ever achieved before.

In June 2019 we received the Queen's Award for Voluntary Service, the MBE for voluntary organisations. This is the highest award given to local volunteer groups across the UK to recognise outstanding work done in their communities. Selection is based on the benefit a voluntary group brings to the local community and its standing within that community, and so this prestigious award is a tribute to all the PF's volunteers, staff and supporters.

In March 2020 the PF was affected by the coronavirus pandemic, which involved vacating our premises and stopping all face to face counselling. Within a week we had set up remote office facilities, allowing all staff to work from home. Within two weeks we had enabled around 90% of our volunteer counsellors to be continuing their regular sessions remotely, with around 75% of our clients, using video meeting technology or voice telephone. We also managed to sustain client donations at around 70% of normal levels.

Across the year, we continued a strategy of actively managing our client waiting times by closing to new requests for significant periods. This reduced the average waiting time for an initial appointment for most clients to below 6 weeks, and their wait to start regular counselling to an average of 13 weeks.

196 people were regularly involved in the delivery of our service. 36 were paid: 5 employed staff, 17 clinical supervisors, 13 PFYA Counsellors, and 1 associate director. We benefited from the support of 173 people as volunteers: 134 counsellors, 30 receptionists, 1 book-keeper, and 8 trustees. (The sharp-eyed may notice that 36+173 does not equal 196 - but the 13 PFYA Counsellors are also volunteers!) Additional people helped occasionally with CPD training, gardening, maintenance, cleaning, etc.

**Financial Review**

This year did not see the surplus of income over expenditure which we have enjoyed previously, with a small drop in income and some one-off expenses contributing to an overall deficit for the first time in many years.

The income from client donations remained remarkably strong, but donations from other sources, such as community fundraising and generously supportive individuals, were lower than they sometimes have been in the past. Although we maintained strict control of our costs wherever possible, our expenditure also increased.

PF continued to benefit from recognition by NHS Lothian for the contribution we make to mental health services in the region. This was the third year of our current Service Level Agreement, which continues at £30,000 per annum, and which remains very significant to the continuation of our service.

On 31 March 2020 our total net assets stood at a substantial £610,415. However, it is important to remember that £296,450 of this represents fixed assets, mainly the building in which we work, and £114,134 are restricted reserve funds that are required by the donors to be used in specific ways, notably including the PF Young Adults service. Over £410,000 is therefore in funds which are not readily available. Designated Funds have been created over the years to identify future needs of the charity, including a Long Term Fund which was established to support future development. These further limit our use of reserves to fund operations, leaving a balance of just £27,464 in the General Fund.

**Value of Volunteers**

The PF is very fortunate in being supported by a large number of volunteers providing counselling, reception, governance, book-keeping and maintenance services. They contributed nearly 17,500 hours of voluntary work to the PF in 2019/20. If this were to be valued even at modest market rates for the skills required, it would of course be found to be a very substantial sum. We are keen to acknowledge the economic significance of such volunteering.

**Trustees' Annual Report' (Continued)**  
**For the year ended 31 March 2020****Reserves policy and going concern**

The charity recognises that reserves are needed to sustain expenditure for a period in the event of a decline in income. The trustees consider that the minimum level of liquid reserves maintained should be equivalent to six months of forecast operating expenditure, due to the longer-term commitment to clients that is integral to the therapeutic process. At the moment, this equates to approximately £100,000, as the expenditure on the PFYA service is covered by restricted funds. They are pleased to report that reserves have been maintained at this level for another year.

The organisation also holds a designated building maintenance fund with a balance of £20,000, as it recognises the need to keep reserves for the maintenance, repair and future refurbishment of the property which we own.

The Trustees previously established the PF Long Term Fund of £120,000 to indicate provision for the anticipated costs of restructuring and service development in the long term.

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 designated Fixed Asset Fund (£296,450) includes 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 liquid reserves policy.

In addition, the charity holds a Restricted Reserve of £71,501 which can only be used for purposes of funding the PF Young Adults service, as specified by the donor. This and other Restricted Funds cannot be considered available for funding any other aspect of the PF's operations or development.

The trustees are of the view that the charity is a going concern.

**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 member of the public over the age of 18, from any area of the Lothians, without requiring a minimum financial contribution. There is always a degree of uncertainty regarding our income each year, and so we will continue to fundraise within the community, and to seek partnerships with local organisations who may help us do this.

We launched a PF Young Adults service in 2017 providing counselling to young adults between 18 and 25, expanding our service by fully utilising our premises on a Saturday, and providing the opportunity for some paid counselling work to some of our regular volunteer counsellors. This was originally conceived and funded as a three-year project which would have ended in the summer of 2020. However, our careful stewardship of the funds, combined with the willingness of PFYA clients to make donations, has meant that we are able to contemplate this service becoming a permanent part of the PF. Although we may need to carry out specific fundraising to maintain in the future, we plan to keep it as part of our work.

The rapid development of our service to allow home working and remote counselling, in response to the coronavirus pandemic, has been remarkable and encouraging in its success so far. In the year ahead, we will need to continue to innovate as we return to face-to-face counselling in an era of continuing infection risk. It is likely that we will have to develop systems and procedures to allow a permanent blend of face-to-face and remote working.

Our commitment to CPD for our volunteers will continue, but many training workshops may have to be redesigned to allow delivery through video meetings rather than in our premises. Our aim with the CPD programme will continue to be that it will remain largely cost-neutral.

**Trustees' Annual Report (Continued)**  
**For the year ended 31 March 2020**

**Structure, Governance and Management**

*Governing Document*

The Pastoral Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 27 September 2006. 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. It is registered as a charity with Scottish Charity Regulator (OSCR).

*Appointment of Trustees*

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

The trustees 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 2019/20 we benefitted from the continued commitment of our existing Board Members.

*Trustee induction and training*

Training publications are made available to trustees to assist them to carry out their duties and understand their responsibilities. New trustees 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 trustees to attend appropriate training and information events.

*Organisation*

The Board of Trustees appoint the Director of Counselling, who is responsible for the day-to-day running of the charity including supervision of staff. The trustees meet on at least four occasions each year to examine regular strategic, financial and operational matters, and up to twice a year for longer term planning and development discussions. They are also available to assist the Director of Counselling on more complex issues.

*Pay policy for senior staff*

The board of Trustees, who are the Charity's directors, and the Director of Counselling comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day to day basis. Trustees are not remunerated for their services as trustees. Details of trustees' expenses are disclosed in note 8 to the accounts.

The pay of the senior staff is reviewed annually and normally increased in line with inflation, taking into account affordability and any changes in duties and responsibilities.

*Risk management*

The trustees give consideration to the major business and operational risks which the charity faces and maintain a Risk Matrix register to enable regular review and reporting of risk factors by the Director of Counselling so that necessary steps can be taken to lessen these risks. This Risk Matrix was thoroughly examined and revised in 2019.

The Risk Matrix includes the loss of access to our premises, but it had not anticipated a cause such as a global pandemic. However, our ability to respond quickly to maintain services has demonstrated our resilience in the face of this unexpected risk.

The trustees consider that the three most important risks facing the Company remain:

- Failure to recruit and retain suitably skilled counsellors  
*We continue to maintain our reputation and networks amongst the profession.*
- Loss of funding, especially a major funder  
*We are no longer reliant on any one funder.*
- Loss of key staff  
*Networking and local knowledge are used to mitigate this risk.*



**Trustees Annual Report (Continued)**  
**For the year ended 31 March 2020**

**Trustees' responsibilities in relation to the financial statements**

The charity trustees (who are also the directors of The Pastoral Foundation Ltd. for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each 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, for that period. In preparing the financial statements, the trustees are required to:

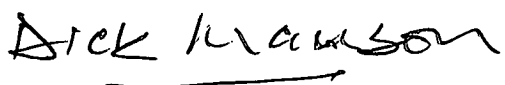
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that 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, Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

By order of the Board of Trustees'

A handwritten signature in black ink that reads "Dick Manson". The signature is written in a cursive, slightly slanted style. Below the signature, there is a horizontal line that starts under the 'D' and ends under the 'n', with a small upward tick at the end.

Dick Manson (Chair)

16 October 2020

**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 2020 which are set out on pages 9 to 18.

**Respective responsibilities of trustees and examiner**

The Charity's trustees (who are also the directors of the company for the purposes of company law) 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 (as 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 by 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.

Allison Neill

Allison Neill C.A. (ICAS)  
James Anderson & Co  
Chartered Accountant (ICAS)  
Pentland Estate  
STRAITON  
Edinburgh  
EH20 9QH

16 October 2020

**Statement of Financial Activities**  
**(Including Income & Expenditure Account)**  
**For the Year ended 31 March 2020**

	Notes	Unrestricted Funds General Fund £	Designated Funds £	Total Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
<b>Income</b>						
Donations	3	21,857	-	16,494	38,351	41,141
Charitable activities	4	200,651	-	-	200,651	205,568
Investments	5	3,276	-	-	3,276	3,014
Total Income		<u>225,784</u>	<u>-</u>	<u>16,494</u>	<u>242,278</u>	<u>249,723</u>
<b>Expenditure</b>						
Charitable activities	6	<u>208,252</u>	<u>2,098</u>	<u>39,399</u>	<u>249,749</u>	<u>231,557</u>
Total Expenditure		<u>208,252</u>	<u>2,098</u>	<u>39,399</u>	<u>249,749</u>	<u>231,557</u>
<b>Net Income/(Expenditure)</b>		17,532	(2,098)	(22,905)	(7,471)	18,166
Transfer between funds	12	<u>(9,881)</u>	<u>9,881</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		7,651	7,783	(22,905)	(7,471)	18,166
<b>Reconciliation of Funds</b>						
Total funds brought forward		<u>19,813</u>	<u>461,034</u>	<u>137,039</u>	<u>617,886</u>	<u>599,720</u>
<b>Total funds carried forward</b>	12	<u>27,464</u>	<u>468,817</u>	<u>114,134</u>	<u>610,415</u>	<u>617,886</u>

The results set out in the statement above derive wholly from the continuing operations of the Charity. The Charity has no recognised gains or losses other than as stated above.

**Balance Sheet**  
**As at 31 March 2020**

	Notes	2020 £	2019 £
<b>Fixed Assets</b>			
Tangible fixed assets	9	296,450	288,667
<b>Current Assets</b>			
Debtors	10	4,694	5,017
Bank & cash		315,862	335,134
		320,556	340,151
<b>Creditors</b>			
Amount falling due within one year	11	6,591	10,932
<b>Net Current Assets</b>		313,965	329,219
<b>Net Assets</b>		<b>610,415</b>	<b>617,886</b>
<b>The Funds of the Charity</b>			
Unrestricted fund – General fund	12	27,464	19,813
Unrestricted funds – Designated funds	12	468,817	461,034
<b>Total Unrestricted Funds</b>		496,281	480,847
Restricted funds	12	114,134	137,039
<b>Total Funds</b>		<b>610,415</b>	<b>617,886</b>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the charitable company to obtain audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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.

The financial statements on pages 9 to 18 were approved on 16 October 2020 and signed on its behalf.



Dan Kelpie  
Trustee

**Notes to the Financial Statements  
For the Year ended 31 March 2020****1. Statutory information**

The Pastoral Foundation is a private company, limited by guarantee with charitable status and registered in Scotland. The company's registration number and registered office address can be found on the Reference and Administrative Details page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of accounting**

The financial statements have been prepared in accordance with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" (effective January 2019), the Financial Reporting Standard 102 (FRS102) and the Companies Act 2006.

The Pastoral Foundation meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Preparation of the accounts on a going concern basis**

The financial statements are prepared on a going concern basis and the trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. During their assessment the key area considered was the Charity's continuing ability to provide counselling services to meet public demand. With the property now being owned by the Charity outright, stability within its key personnel and a client waiting list the trustees consider that the Charity will continue to operate for the foreseeable future.

**c) Donated Services**

In accordance with the Charities SORP (FRS102) general volunteer time is not recognised in the accounts. Information regarding the contribution of volunteers is provided in the Trustees Annual Report.

**d) Income**

All income is recognised once the Charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations and grants are recognised when they have been communicated in writing with notification of both the amount and settlement date. In the event that a donation or grant is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank.

**Notes to the Financial Statements  
For the year ended 31 March 2020****e) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities.

All expenditure relates to charitable actions and governance cost in respect of an Independent Examiner.

**f) Irrecoverable VAT**

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

**g) Tangible fixed assets and 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

**h) Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

**i) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**j) Cash in bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments that mature in no more than twelve months.

**k) Fund accounting**

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

Further details of each fund are disclosed in note 12.

**l) Pension costs**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**m) Taxation**

The company is a registered charity and is exempt from corporation tax on its charitable activity.

**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**3. Donations**

	2020 £	2019 £
<i>General Fund – Unrestricted</i>		
First Foundation Grant	-	1,750
Anonymous donations over £1,000	12,087	8,286
Other donations under £1,000	8,341	16,484
Gift aid recoverable	1,429	129
	<u>21,857</u>	<u>26,649</u>
 <i>Young Adult Counselling Fund – Restricted</i>		
Client donations	15,196	13,650
Gift aid recoverable	1,298	842
	<u>16,494</u>	<u>14,492</u>

**4. Income from Charitable Activities**

<i>General Fund – Unrestricted</i>		
Counselling contributions	149,716	150,152
NHS Lothian	30,000	30,000
Dean & Cauvin	-	2,700
Gift aid recoverable	20,935	22,716
	<u>200,651</u>	<u>205,568</u>

**5. Income from Investments**

<i>General Fund – Unrestricted</i>		
Bank interest	<u>3,276</u>	<u>3,014</u>

Notes to the Financial Statements  
For the year ended 31 March 2020

6. Expenditure on Charitable Activities

	Total 2020 £	Total 2019 £
<i>General Fund – Unrestricted</i>		
Salaries, national insurance	105,604	93,922
Employer pension costs	2,992	1,797
Recruitment costs	125	230
Fast track payments	1,200	1,810
Supervision fees	46,626	45,207
Assessment fees	6,036	7,708
Contract work	10,486	10,866
Dean & Cauvin expenses	-	2,085
In-service training	3,650	2,599
Professional indemnity insurance	775	704
Subscriptions	1,222	954
Books	172	38
Catering	884	1,402
Travel	54	32
Staff training	40	50
Rates & water rates	3,051	3,021
Heat & light	2,215	2,652
Insurance	1,808	1,644
Cleaning	2,068	1,839
Payroll processing	663	678
Professional fees	-	455
Employment related costs	75	125
Printing & stationery	2,988	2,165
Computer software & office equipment repairs	7,976	3,252
Upkeep property	2,368	3,919
Telephone	1,223	1,316
Postages	28	285
Independent examiner's fee	1,392	1,267
Production of annual report & AGM costs	752	640
Company registration	13	13
Miscellaneous	756	1,216
Queens Award Celebration costs	1,010	-
	<u>208,252</u>	<u>193,891</u>
<i>Fixed Asset Fund – designated</i>		
Depreciation	<u>2,098</u>	<u>2,932</u>



**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

	2020 £	2019 £
<b>6. Expenditure on Charitable Activities (continued)</b>		
<i>Young Adult Counselling Service Fund - Restricted</i>		
Administrator salary and national insurance	6,741	5,995
Employer pension cost	191	115
Manager fee	160	400
Contract work	27,280	23,440
Supervision	3,923	3,365
Assessment	1,104	1,419
	<hr/> 39,399 <hr/>	<hr/> 34,734 <hr/>
<b>7. Employee Information</b>	<b>No</b>	<b>No</b>
The average monthly number of employees during the year was:	5	5
	<hr/>	<hr/>
<b>Costs</b>	<b>£</b>	<b>£</b>
Salaries	106,579	95,602
Social security costs	5,766	4,315
Pension costs	3,183	1,912
	<hr/> 115,528 <hr/>	<hr/> 101,829 <hr/>
No staff member is remunerated at a level in excess of £60,000 per annum.		
Total key management remuneration was:	51,278	40,509
Total benefits	<hr/>	<hr/>

**8. Related Party Transactions and Trustees' Expenses and Remuneration**

The trustees' give freely their time and expertise without any form of remuneration for their services as trustees.

Alison Hampton is also employed by The Pastoral Foundation as Director of Counselling. She received no remuneration for serving as a trustee but received a salary of £46,453 (2019 - £37,402) and employer pension contributions £1,394 (2019 £748) for her normal employment. This is paid at the normal rate for her position within the Foundation and is permitted by the governing document. Trustees reimbursed travel expenses during the year was £ nil (2019: £20).

During the year £ 10,486 (2019: £10,866) was paid to Matthew Haggis, a trustee of the Foundation, for contract work, £ 280 (2019: £905) for carrying out client assessment and fast track appointments and £400 (2019: £300) for the design of the Charity's annual review. Judith Fewell, also a trustee in the Foundation, received £ 6,560 (2019: £2,560) for providing individual and group supervision sessions. The rates paid were based on a normal commercial basis and were in line with payments made to other assessors and supervisors.

Notes to the Financial Statements  
For the year ended 31 March 2020

9. Tangible Fixed Assets

	Heritable Property £	Furniture & Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
31 March 2019	285,331	15,255	10,405	310,991
Addition	-	-	9,881	9,881
	<u>285,331</u>	<u>15,255</u>	<u>20,286</u>	<u>320,872</u>
31 March 2020	285,331	15,255	20,286	320,872
<b>Depreciation</b>				
31 March 2019	-	13,462	8,862	22,324
Charge for year	-	421	1,677	2,098
	<u>-</u>	<u>13,883</u>	<u>10,539</u>	<u>24,422</u>
31 March 2020	-	13,883	10,539	24,422
<b>Net Book Value</b>				
31 March 2020	285,331	1,372	9,747	296,450
31 March 2019	<u>285,331</u>	<u>1,793</u>	<u>1,543</u>	<u>288,667</u>

10. Debtors

	2020 £	2019 £
Tax refunds – gift aid	1,750	2,076
Accrued interest	216	214
Prepayments	2,728	2,727
	<u>4,694</u>	<u>5,017</u>

11. Creditors

Amounts falling due within one year

Accruals	4,708	9,212
Taxation & social security	1,883	1,720
	<u>6,591</u>	<u>10,932</u>

Notes to the Financial Statements  
For the year ended 31 March 2020

12. Statement of Funds

*Previous year*

	31 March 2018 £	Incoming Resources £	Outgoing Resources £	Fund Transfers £	31 March 2019 £
<b>Unrestricted Funds</b>					
General fund	18,872	235,231	193,891	( 40,399)	19,813
Designated Funds					
Redundancy fund	5,000	-	-	-	5,000
Building maintenance fund	20,000	-	-	-	20,000
Fixed asset fund	291,200	-	2,932	399	288,667
Service continuity fund	27,367	-	-	-	27,367
PF Long Term Fund	80,000	-	-	40,000	120,000
	423,567	-	2,932	40,399	461,034
<b>Total Unrestricted Funds</b>	<b>442,439</b>	<b>235,231</b>	<b>196,823</b>	<b>-</b>	<b>480,847</b>
<b>Restricted Funds</b>					
Financial stability fund	42,633	-	-	-	42,633
Young adult counselling service fund	114,648	14,492	34,734	-	94,406
<b>Total Restricted Funds</b>	<b>157,281</b>	<b>14,492</b>	<b>34,734</b>	<b>-</b>	<b>137,039</b>
<b>Total Funds</b>	<b>599,720</b>	<b>249,723</b>	<b>231,557</b>	<b>-</b>	<b>617,886</b>

*Current year*

	31 March 2019 £	Incoming Resources £	Outgoing Resources £	Fund Transfers £	31 March 2020 £
<b>Unrestricted Funds</b>					
General fund	19,813	225,784	208,252	(9,881)	27,464
Designated Funds					
Redundancy fund	5,000	-	-	-	5,000
Building maintenance fund	20,000	-	-	-	20,000
Fixed asset fund	288,667	-	2,098	9,881	296,450
Service continuity fund	27,367	-	-	-	27,367
PF Long Term Fund	120,000	-	-	-	120,000
	461,034	-	2,098	9,881	468,817
<b>Total Unrestricted Funds</b>	<b>480,847</b>	<b>225,784</b>	<b>210,350</b>	<b>-</b>	<b>496,281</b>
<b>Restricted Funds</b>					
Financial stability fund	42,633	-	-	-	42,633
Young adult counselling service fund	94,406	16,494	39,399	-	71,501
<b>Total Restricted Funds</b>	<b>137,039</b>	<b>16,494</b>	<b>39,399</b>	<b>-</b>	<b>114,134</b>
<b>Total Funds</b>	<b>617,886</b>	<b>242,278</b>	<b>249,749</b>	<b>-</b>	<b>610,415</b>

**Notes to the Financial Statements**  
**For the year ended 31 March 2020**

**12. Statement of Funds (continued)**

The General Fund is an **Unrestricted Fund** which the Charity is free to use in accordance with its objects.

The **Designated Funds** have been created by the trustees 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.

**Service Continuity Fund** – to bridge the gap between expenditure and the receipt of income.

**PF Long Term Fund** – to fund organisational restructuring and development, including potential service expansion, in the longer term (5+ years).

**Restricted Funds** are funds which are to be used in accordance with specific restrictions imposed by the donor.

**Financial Stability Fund** – to meet any deficit on the income and expenditure account on an annual basis.

**Young Adult Counselling Service Fund** – to meet the costs of a counselling services for young adults.

**13. Allocation of Net Assets between Funds**

At 31 March 2019	Tangible Fixed Assets £	Current Assets £	Liabilities £	Total £
Unrestricted fund - General fund	-	30,745	10,932	19,813
Unrestricted fund - Designated funds	288,667	172,367	-	461,034
<b>Total Unrestricted Funds</b>	<b>288,667</b>	<b>203,112</b>	<b>10,932</b>	<b>480,847</b>
<b>Restricted Funds</b>	-	137,039	-	137,039
<b>Total Funds</b>	<b>288,667</b>	<b>340,151</b>	<b>10,932</b>	<b>617,886</b>
<b>At 31 March 2020</b>				
Unrestricted fund - General fund	-	34,055	6,591	27,464
Unrestricted fund - Designated funds	296,450	172,367	-	468,817
<b>Total Unrestricted Funds</b>	<b>296,450</b>	<b>206,422</b>	<b>6,591</b>	<b>496,281</b>
<b>Restricted Funds</b>	-	114,134	-	114,134
<b>Total Funds</b>	<b>296,450</b>	<b>320,556</b>	<b>6,591</b>	<b>610,415</b>