

**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 2018**



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

***Report of the Directors  
For the year ended 31 March 2018***

The directors present their annual directors' report together with the financial statements of the Charity for the year ending 31 March 2018.

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).

**Chair's Report**

I am pleased to present the 2017/18 Annual Accounts for the PF Counselling Service.

It has been another eventful year with changes to the Board of Trustees. Allan Sturrock retired as Treasurer in October 2017, and Bea Dundonald retired from the Board in January 2018. I would like to extend my thanks for all their hard work and for their significant contribution in guiding PF to its current successful position.

Dan Kelpie took over as Treasurer at last year's AGM, and Katie Lindsay joined the Board in March of this year. Katie is a former client and brings a very helpful client focus to our work. A very warm welcome to them both.

During this year, our volunteer counsellors offered over 12,500 counselling sessions to 733 clients. This was made possible by a total of 204 people who have been regularly involved in the delivery of our service, including employed staff and clinical supervisors, and 183 volunteers: 131 counsellors, 43 receptionists, 1 book-keeper, and 8 trustees.

I would like to thank everyone on behalf of the Board and in particular thank those volunteers who very generously give up their time to support and help our clients.

Dick Manson  
Chair

**Report of the Directors (Continued)****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 Edinburgh's Citizens**

- 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.

***Report of the Directors (Continued)*****Achievements and Performance**

During the year 131 counsellors offered 12,758 possible sessions to 733 clients. Taking into consideration those sessions cancelled by clients, the total number attended was 10,846.

The demand for our counselling continued very strongly, with new requests for appointments significantly exceeding our capacity once again. Our new approach to managing waiting times, introduced last year, has reduced the average waiting time for an initial appointment for most clients to below 10 weeks.

We completed our pilot project with the Dean & Cauvin Trust, which explored the provision of counselling to young people making the transition from being looked after and accommodated to living independently in the community. This brought many important learning points for both the PF and the D&CT, and it was decided to end the project.

Working closely with our IT support company, we undertook a major review of our data security in the light of the introduction of the new GDPR legislation. This confirmed the robustness of our existing systems and introduced new policies and procedures to safeguard the data we process, and ensure compliance with the Regulation.

204 people were regularly involved in the delivery of our service. 21 were paid: 5 employed staff, 15 clinical supervisors and 1 associate director for 1 day a week. The other 183 people were all volunteers: 131 counsellors, 43 receptionists, 1 book-keeper, and 8 trustees. Even more people helped occasionally with CPD training, gardening, maintenance, and cleaning etc.

**Financial Review**

The unrestricted income for this financial year was up on 2016/17. Total income last year included an exceptional restricted donation of £135,730. The most significant factor in this was the increased generous donations from private individuals, including a substantial legacy for the first time in the PF's history. We have therefore once again made an operating surplus which has ensured our current stability and the future development of the charity.

The income from Client Donations and Gift Aid has remained remarkably strong, despite the impact of national austerity measures and low income growth for many people. In fact, the average weekly amount donated by clients rose by 4%.

PF continued to benefit from recognition by NHS Lothian of the contribution we make to mental health services in the region. With the completion of our Working Health Services contract, the contribution made available by them through their Service Level Agreement returned to the £30,000 level that it had been at for many years previously.

On 31 March 2018 our total net assets stood at a substantial £599,720. However, it is important to remember that £291,200 of this represents fixed assets, mainly the building in which we work, and £157,281 are restricted reserve funds that are required by the donors to be used in specific ways, notably for the PF Young Adults service. Over £448,000 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 new Long Term Fund of £80,000 this year. These further limit our use of reserves to fund operations, leaving a balance of just £18,872 in the General Fund which can be used to sustain and further develop our charitable activities in the year ahead.

**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 over 16,300 hours of voluntary work to the PF in 2017/18. 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.

***Report of the Directors (Continued)*****Reserves policy and going concern**

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

It also recognises that reserves are needed to bridge the gap between expenditure and the receipt of income. The directors consider that the minimum level of liquid reserves maintained should be equivalent to six months of forecasted operating expenditure, due to the longer term commitment to clients that is integral to the therapeutic process. This equates to approximately £70,000 and they are pleased to have been able to maintain the reserves at this level for another year.

In the current year, the directors addressed the long term future of the service, and in particular the leadership and managerial role of the Director of Counselling. Whilst the Director is not intending or being asked to retire in the immediate future, it was considered prudent to plan more specifically for the inevitable changes in the organisation within the next five years. In particular, it was felt likely that costs would rise in the short to medium term after her retirement, due to the consummate efficiency with which she and the Associate Director lead and deliver the services currently. A new period of organisational restructuring and development is also very likely on the appointment of a new Director of Counselling, and so it was decided to establish a PF Long Term Fund to indicate provision for these costs. A total of £80,000 was designated to this Fund in the current period.

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 (£291,200) 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 £114,648 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 directors 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 therefore 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. We will continue to support and develop this service, utilising the funds restricted to this purpose, but also allocating financial and in-kind resources from elsewhere, as appropriate, to provide benefits to this client group and opportunities for counsellors to work with them.

As noted above, we recognise the need to consider succession in leadership and management. We will also continue to develop organisation systems and approaches that will support the transition to new personnel in due course.

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. We plan to pilot some new peer-led and video-based opportunities for CPD on our premises, but our aim with the CPD programme will continue for it to be largely cost-neutral.

**Report of the Directors (Continued)****Reference and Administrative Details****Directors and Trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The directors and officers serving during the year and since the year end were as follows:

Directors	Dick Manson (Chair) Janet Buncle Beatrice Dundonald (retired 18 January 2018) Judith Fewell Matthew Haggis Alison Hampton Chris Hewitt Allan Sturrock (retired 6 October 2017) Dan Kelpie (appointed 21 April 2017) Katie Lindsay (appointed 23 March 2018)
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
Charity Number:	SC008875
Company Number:	SC122762

## ***Report of the Directors (Continued)***

### **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. It is registered as a charity with OSCR.

#### *Appointment of 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.

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 2017/18 we benefitted from the continued commitment of our existing directors, with two retirements and one appointment to the Board. Allan Sturrock retired, as he had indicated he would, at the AGM and Dan Kelpie was appointed Treasurer. Towards the end of the period we were pleased to appoint Katie Lindsay to the Board, welcoming her skills and her experience as a previous PF client.

#### *Director induction and training*

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.

#### *Organisation*

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. The directors 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 directors consider the Board of Directors, who are the Charity's trustees, 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. Directors are not remunerated for their services as directors. Details of directors' 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 directors 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 2018.

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

- Failure to recruit volunteer 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.*

**Report of the Directors (Continued)****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. They are also responsible for safeguarding the assets of the charity and the group and hence 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.

**Statement as to disclosure to our Independent Examiner**

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the Independent Examiner in connection with preparing their report, of which the company's Independent Examiner is unaware, and
- the trustees, having made enquiries of fellow directors and company's Independent Examiner that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant information and to establish that the Independent Examiner is aware of that information.

By order of the Board of Directors



Dick Manson (Chair)

19 October 2018



**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 2018 which are set out on pages 9 to 18.

**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 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**

**19 October 2018**

**Statement of Financial Activities**  
**(Including Income & Expenditure Account)**  
**For the Year ended 31 March 2018**

	Notes	Unrestricted Funds General Fund £	Designated Funds £	Total Restricted Funds £	Total Funds 2018 £	Funds 2017 £
<b>Income</b>						
Donations	3	44,490	-	12,767	57,257	152,274
Charitable activities	4	192,401	-	-	192,401	208,639
Investments	5	2,386	-	-	2,386	687
Total Income		<u>239,277</u>	<u>-</u>	<u>12,767</u>	<u>252,044</u>	<u>361,600</u>
<b>Expenditure</b>						
Charitable activities	6	<u>182,022</u>	<u>2,643</u>	<u>34,266</u>	<u>218,931</u>	<u>187,891</u>
Total Expenditure		<u>182,022</u>	<u>2,643</u>	<u>34,266</u>	<u>218,931</u>	<u>187,891</u>
<b>Net Income/(Expenditure)</b>		<b>57,255</b>	<b>( 2,643)</b>	<b>( 21,499)</b>	<b>33,113</b>	<b>173,709</b>
Transfer between funds	12	<u>( 81,419)</u>	<u>81,419</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<b>( 24,164)</b>	<b>78,776</b>	<b>(21,499)</b>	<b>33,113</b>	<b>173,709</b>
<b>Reconciliation of Funds</b>						
Total funds brought forward		<u>43,036</u>	<u>344,791</u>	<u>178,780</u>	<u>566,607</u>	<u>392,898</u>
<b>Total funds carried forward</b>	<b>12</b>	<b><u>18,872</u></b>	<b><u>423,567</u></b>	<b><u>157,281</u></b>	<b><u>599,720</u></b>	<b><u>566,607</u></b>

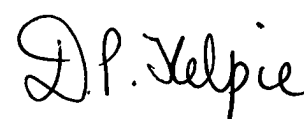
The results set out in the statement above derive wholly from the continuing operations of the Charity. The Charity has no recognised gains or losses other than as stated above.

**Balance Sheet**  
**As at 31 March 2018**

	Notes	2018 £	2017 £
<b>Fixed Assets</b>			
Tangible fixed assets	9	291,200	292,424
<b>Current Assets</b>			
Debtors	10	4,370	4,070
Bank & cash		311,945	275,475
		316,315	279,545
<b>Creditors</b>			
Amount falling due within one year	11	7,795	5,362
<b>Net Current Assets</b>		308,520	274,183
<b>Net Assets</b>		599,720	566,607
<b>The Funds of the Charity</b>			
Unrestricted fund – General fund	12	18,872	43,036
Unrestricted funds – Designated funds	12	423,567	344,791
<b>Total Unrestricted Funds</b>		442,439	387,827
Restricted funds	12	157,281	178,780
		599,720	566,607

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. 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 19 October 2018 and signed on its behalf.



Dan Kelpie Director

**Notes to the Financial Statements  
For the Year ended 31 March 2018****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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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. There has been an increase in free reserves in the year and the directors 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 directors 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 Report of the Directors.

**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 (Continued)****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.

**k) Fund accounting**

Unrestricted income funds comprise those funds which the directors are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the directors, 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.

## Notes to the Financial Statements (Continued)

## 3. Donations

	2018 £	2017 £
<i>General Fund – Unrestricted</i>		
Baillie Gifford	1,500	-
P Beasley Legacy	13,462	-
Cairn Energy Plc	1,300	-
Moston Care Foundation	1,500	-
Pay It Forward Scotland	1,137	-
Sainsbury Quatermile	2,171	-
Anonymous donations over £1,000	13,171	8,292
Other donations under £1,000	10,120	8,123
Gift aid recoverable	129	129
	<u>44,490</u>	<u>16,544</u>
<i>Young Adult Counselling Fund – Restricted</i>		
* Anonymous	1,000	135,730
Client donations	10,614	-
Gift aid recoverable	1,153	-
	<u>12,767</u>	<u>135,730</u>

\* Donation received from the proceeds of the winding up of a charity which provided services to young adults.

## 4. Income from Charitable Activities

*General Fund – Unrestricted*

Counselling contributions	136,034	147,065
NHS Lothian	30,000	30,000
NHS Lothian – WHSL	-	10,000
Dean & Cauvin	7,475	450
Gift aid recoverable	18,892	21,124
	<u>192,401</u>	<u>208,639</u>

## 5. Income from Investments

*General Fund - Unrestricted*

Bank interest	<u>2,386</u>	<u>687</u>
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## Notes to the Financial Statements (Continued)

## 6. Expenditure on Charitable Activities

	Total 2018 £	Total 2017 £
<i>General Fund – Unrestricted</i>		
Salaries, national insurance	87,541	85,843
Employer pension costs	865	547
Recruitment costs	-	250
Fast track payments	3,762	8,725
Supervision fees	36,960	38,515
Assessment fees	6,026	5,740
Contract work	12,103	9,900
WHSL fees	-	6,755
Dean & Cauvin expenses	7,545	545
In-service training	1,870	954
Professional indemnity insurance	643	584
Subscriptions	861	595
Books	549	586
Catering	811	540
Travel	109	73
Staff training	37	20
Rates & water rates	2,982	2,713
Heat & light	2,191	2,185
Insurance	1,500	1,371
Cleaning	2,089	1,758
Payroll processing	610	567
Employment related costs	275	175
Printing & stationery	2,329	1,474
Computer software & office equipment repairs	3,843	3,064
Upkeep property	4,075	7,090
Telephone	1,280	974
Postages	134	299
Marketing costs	10	10
Independent examiner's fee	1,152	1,080
Production of annual report & AGM costs	895	750
Company registration	13	13
Hope's Garden donations	1,750	-
Feasibility study	-	720
Miscellaneous	1,172	843
Charge to Young Adult Counselling Service Fund	( 3,960)	-
	<u>182,022</u>	<u>185,258</u>
<i>Fixed Asset Fund – designated</i>		
Depreciation	<u>2,643</u>	<u>2,511</u>
<i>Core Evaluation Training Fund – restricted</i>		
Core evaluation training costs	<u>417</u>	<u>122</u>

**Notes to the Financial Statements (Continued)**

	2018 £	2017 £
<b>6. Expenditure on Charitable Activities (continued)</b>		
<i>Young Adult Counselling Service Fund - Restricted</i>		
Administrator salary and national insurance	5,130	-
Employer pension cost	23	-
Manager fee	4,380	-
Contract work	17,277	-
Supervision	2,291	-
Assessment	785	-
Miscellaneous	3	-
Contribution to overheads	3,960	-
	<u>33,849</u>	<u>-</u>
<b>7. Employee Information</b>	<b>No</b>	<b>No</b>
The average monthly number of employees during the year was:	5	4
	<u>5</u>	<u>4</u>
<b>Costs</b>	<b>£</b>	<b>£</b>
Salaries	88,721	82,004
Social security costs	3,951	3,839
Pension costs	888	547
	<u>93,560</u>	<u>86,390</u>
No staff member is remunerated at a level in excess of £60,000 per annum.		
Total key management remuneration was:	Total benefits	
	<u>48,625</u>	<u>47,781</u>

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

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

Alison Hampton is also employed by The Pastoral Foundation as Director of Counselling. She received no remuneration for serving as a director but received a salary of £35,030 (2017: £34,427) for her normal employment. This is paid at the normal rate for her position within the Foundation and is permitted by the governing document. One director was reimbursed for their travel expenses during the year totalling £37 (2017: £nil).

During the year £9,897 (2017: £9,900) was paid to Matthew Haggis, a director of the Foundation, for contract work, £595 (2017: £861) for carrying out client assessment and fast track appointments and £435 (2017: £300) for the design of the Charity's annual review. Judith Fewell, also a director in the Foundation, received £210 (2017: £350) for providing monthly supervision for a counsellor. 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 (Continued)

## 9. Tangible Fixed Assets

	Heritable Property £	Furniture & Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
31 March 2017	285,331	13,437	10,405	309,173
Addition	-	1,419	-	1,419
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2018	285,331	14,856	10,405	310,592
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
31 March 2017	-	12,909	3,840	16,749
Charge for year	-	132	2,511	2,643
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2018	-	13,041	6,351	19,392
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
31 March 2018	285,331	1,815	4,054	291,200
31 March 2017	285,331	528	6,565	292,424
	<hr/>	<hr/>	<hr/>	<hr/>

## 10. Debtors

	2018 £	2017 £
Tax refunds – gift aid	1,973	1,955
Accrued interest	142	128
Prepayments	2,255	1,987
	<hr/>	<hr/>
	4,370	4,070
	<hr/>	<hr/>

## 11. Creditors

Amounts falling due within one year

Accruals	6,016	3,774
Taxation & social security	1,779	1,588
	<hr/>	<hr/>
	7,795	5,362
	<hr/>	<hr/>

## Notes to the Financial Statements (Continued)

12. Statement of Funds	31 March 2016 £	Incoming Resources £	Outgoing Resources £	Fund Transfers £	31 March 2017 £
<b>Unrestricted Funds</b>					
General fund	36,498	225,870	185,258	( 34,074)	43,036
Designated Funds					
Redundancy fund	5,000	-	-	-	5,000
Building maintenance fund	20,000	-	-	-	20,000
Fixed asset fund	288,228	-	2,511	6,707	292,424
Service continuity fund	-	-	-	27,367	27,367
	313,228	-	2,511	34,074	344,791
<b>Total Unrestricted Funds</b>	<b>349,726</b>	<b>225,870</b>	<b>187,769</b>	<b>-</b>	<b>387,827</b>
<b>Restricted Funds</b>					
Financial stability fund	42,633	-	-	-	42,633
Core evaluation training fund	539	-	122	-	417
Young adult counselling services fund	-	135,730	-	-	135,730
<b>Total Restricted Funds</b>	<b>43,172</b>	<b>135,730</b>	<b>122</b>	<b>-</b>	<b>178,780</b>
<b>Total Funds</b>	<b>392,898</b>	<b>361,600</b>	<b>187,891</b>	<b>-</b>	<b>566,607</b>
	<b>31 March 2017 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Fund Transfers £</b>	<b>31 March 2018 £</b>
<b>Unrestricted Funds</b>					
General fund	43,036	239,277	182,022	( 81,419)	18,872
Designated Funds					
Redundancy fund	5,000	-	-	-	5,000
Building maintenance fund	20,000	-	-	-	20,000
Fixed asset fund	292,424	-	2,643	1,419	291,200
Service continuity fund	27,367	-	-	-	27,367
PF Long Term Fund	-	-	-	80,000	80,000
	344,791	-	2,643	81,419	423,567
<b>Total Unrestricted Funds</b>	<b>387,827</b>	<b>239,277</b>	<b>184,665</b>	<b>-</b>	<b>442,439</b>
<b>Restricted Funds</b>					
Financial stability fund	42,633	-	-	-	42,633
Core evaluation training fund	417	-	417	-	-
Young adult counselling service fund	135,730	12,767	33,849	-	114,648
<b>Total Restricted Funds</b>	<b>178,780</b>	<b>12,767</b>	<b>34,266</b>	<b>-</b>	<b>157,281</b>
<b>Total Funds</b>	<b>566,607</b>	<b>252,044</b>	<b>218,931</b>	<b>-</b>	<b>599,720</b>

## Notes to the Financial Statements (Continued)

## 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 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.

**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.

**Core Evaluation Training Fund** – to meet the costs of core evaluation training.

**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 2017	Tangible Fixed Assets £	Current Assets £	Liabilities £	Total £
Unrestricted fund - General fund	-	48,398	5,362	43,036
Unrestricted fund - Designated funds	292,424	52,367	-	344,791
<b>Total Unrestricted Funds</b>	<b>292,424</b>	<b>100,765</b>	<b>5,362</b>	<b>387,827</b>
<b>Restricted Funds</b>	<b>-</b>	<b>178,780</b>	<b>-</b>	<b>178,780</b>
<b>Total Funds</b>	<b>292,424</b>	<b>279,545</b>	<b>5,362</b>	<b>566,607</b>
<b>At 31 March 2018</b>				
Unrestricted fund - General fund	-	26,667	7,795	18,872
Unrestricted fund - Designated funds	291,200	132,367	-	423,567
<b>Total Unrestricted Funds</b>	<b>291,200</b>	<b>159,034</b>	<b>7,795</b>	<b>442,439</b>
<b>Restricted Funds</b>	<b>-</b>	<b>157,281</b>	<b>-</b>	<b>157,281</b>
<b>Total Funds</b>	<b>291,200</b>	<b>316,315</b>	<b>7,795</b>	<b>599,720</b>