

LOTHIAN MARRIAGE COUNSELLING SERVICE

Annual Report and Financial Statements

for the year ended 31st March 1998

Lothian Marriage Counselling Service is a company limited
by guarantee, having no share capital



LOTHIAN MARRIAGE COUNSELLING SERVICE

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Council of Management

Chairman

Reverend John C. Lindsay

Other Council Members

Thomas Ballantine

David Christie

Pat Cook

Jeremy Devlin-Thorp

Alison Honeyman

Isobel Lodge

Charlotte McEachran

Helen Oliver

Wendy Sheehan

Robin Stewart

Honorary Treasurers

John & Helen Beattie

Secretary

Deirdre Bett

Auditors

Scott Oswald, Chartered Accountants

1 Royal Terrace

Edinburgh

EH7 5AD

Solicitors

Fyfe Ireland WS

Orchard Brae House, 30 Queensferry Road

Edinburgh

EH4 2HG

Bankers

Bank of Scotland

38 St Andrew Square, Edinburgh EH2 2YR

Registered Office

9A Dundas Street, Edinburgh EH3 6QG

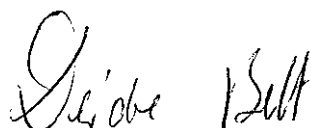
Registered in Scotland No 110621

Scottish Charity Number SCO11989

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF LOTHIAN MARRIAGE COUNSELLING SERVICE WILL BE HELD AT 9A DUNDAS STREET, EDINBURGH ON 25th JUNE 1998 AT 7.00pm AND THAT THE BUSINESS TO BE BROUGHT BEFORE THE MEETING WILL BE :

1. Statement by the Chairman.
2. To receive and adopt the financial statements for the year ended 31st March 1998.
3. To elect members of the Council of Management.
4. To re-appoint Scott Oswald, Chartered Accountants as auditors and to authorise the Council to fix their remuneration.

By order of the Council of Management



Deirdre Bett
Secretary
27th May 1998

PROXIES

A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the company.

LOTHIAN MARRIAGE COUNSELLING SERVICE

Report of the Council of Management

The Council of Management hereby submit their report and audited financial statements for the year ended 31st March 1998.

Status

Lothian Marriage Counselling Service is a company limited by guarantee having no share capital and is governed by a Memorandum and Articles of Association dated 15 April 1988 and amended by Special Resolution on 19 May 1988 and 22 February 1990. The service is registered as a charity in Scotland.

Activities

The objectives of Lothian Marriage Counselling Service are to: -

- provide, develop and co-ordinate a confidential counselling service in Edinburgh, West Lothian, Midlothian and East Lothian for people - regardless of race, religion, marital status or sexual orientation - who have difficulties and anxieties in their marriage or other intimate, personal relationships. These include individuals and couples troubled with emotional or sexual difficulties, those who are experiencing difficulties in contemplating a permanent relationship and those who are experiencing the end of a marriage or relationship and its after effects, whether through bereavement, separation or divorce;
- act as a local information, educational and resource centre for individuals and groups wishing to enhance their understanding of marriage and other intimate personal relationships.

Lothian Marriage Counselling Service achieves these objectives by:

- ensuring that voluntary and paid counsellors, voluntary intake workers, voluntary telephone helpline workers, voluntary receptionists are recruited, trained and supervised appropriately;
- providing accommodation, timetabling and administrative support for the counselling and related services which are undertaken;
- responding to written and telephone enquiries about the work of the service;
- giving talks and running groups for students and others on relationship issues;
- maintaining and selling a range of books related to the work of the service.

Review of the Year

A detailed description of the developments that have taken place in the work of the Company over the last year is contained within the 51st Annual Report. Brief highlights are as follows:

- offering c.8000 hours of counselling and intake help;
- running three Surviving the Break-up groups and training others to run these groups;
- establishing a working group to explore the need for a Relate-Teen service within Edinburgh and the Lothians and to prepare a report;
- establishing a planning group to review the way in which the service is run and to prepare a three year business plan.

The general fund deficit for the year as shown in the Income and Expenditure Account was £2,259 (1997 - surplus of £3,429).

Council of Management

The Articles of Association state that the business of the company shall be managed by a Council of Management.

The Council will consist of not fewer than 5 and not more than 12 members. The Council may appoint any member to fill either a casual or permanent vacancy in its number provided the prescribed maximum is not exceeded.

Any member so appointed shall retain office until the next Annual General Meeting at which point they will be eligible for re-election. No person who is not a member of the Company shall be eligible to hold office as a member of the Council.

The present members of Council of Management are shown on page 1.

In accordance with the Articles of Association, John Lindsay, Alison Honeyman, Helen Oliver and Wendy Sheehan retire by rotation and being eligible offer themselves for re-election.

Robin Stewart is retiring.

Sheena Stephen retired on 8 October 1997.

Statement of Council of Management's Responsibilities

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

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

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with the Companies Act 1985. It is 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.

Special Exemptions

Advantage has been taken in the preparation of the report of the Council of Management of the special exemptions applicable to small companies conferred by Part II of schedule 8 to the Companies Act 1985.

Approval

The report of the Council of Management was approved by the Council on 29 April 1998 and signed on 27 May 1998 on its behalf.

By order of the Council of Management

.....*Gerard Bell*.....Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF LOTHIAN MARRIAGE COUNSELLING SERVICE

We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 10 and 11.

RESPECTIVE RESPONSIBILITIES OF THE COUNCIL OF MANAGEMENT AND AUDITORS

As described on pages 4 and 5, the company's Council of Management is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1998 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



SCOTT OSWALD
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS,
EDINBURGH

27 May 1998

Lothian Marriage Counselling Service

Income And Expenditure Account

For the Year Ended 31 March 1998

	Notes	<u>1998</u>	<u>1997</u>
		£	£
Income			
Grants	2	32,680	37,867
Donations	3	79,418	68,184
Interest		2,044	1,916
Other Income		3,126	2,449
		<u>117,268</u>	<u>110,416</u>
Administration Expenses	5	<u>77,050</u>	<u>75,487</u>
Disposable Income		<u>40,218</u>	<u>34,929</u>
Utilised thus:			
Provision of Services	7	33,082	22,267
Educational expenses	8	14,147	11,597
		<u>47,229</u>	<u>33,864</u>
(Deficit) Surplus for the year		(7,011)	1,065
Less: Extraordinary Item			
Sale of Alliance & Leicester shares		1,411	
Appropriations to other funds:			
Development Reserve		3,341	(185)
Building Fund		-	2,549
General Fund (Deficit)/ Surplus for the yr		<u>(2,259)</u>	<u>3,429</u>

The company has no recognised gains or losses other than the deficit for the year ended 31st March, 1998 and the surplus for the year ended 31st March, 1997. All operations are continuing.

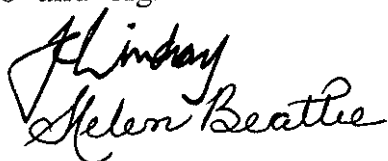
Lothian Marriage Counselling Service

Balance Sheet as at 31 March 1998

	Notes	<u>1998</u>	<u>1997</u>
		£	£
Fixed Assets			
Tangible Assets	9	175,000	175,000
Current Assets			
Debtors	10	506	570
Stock of Books for resale		993	997
Cash at Bank and in hand		26,725	42,730
Building Society Account		-	3,354
		28,224	47,651
Less: Creditors	11	(5,156)	(18,983)
Net Current Assets		23,068	28,668
Net Assets		198,068	203,668
Capital and Reserves			
Capital Reserve	13	189,462	189,462
Other Reserves	14	8,606	14,206
		198,068	203,668

Advantage has been taken in the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

The financial statements were approved by the Council of Management on 29th April, 1998 and signed on its behalf on 27th May, 1998 by:



Chair

Treasurer

The notes on pages 10 to 14 form part of these financial statements.

Lothian Marriage Counselling Service

Statement of Financial Activities For the Year Ended 31 March 1998

		Unrestricted	Restricted	Endowment	1998	1997
	<u>Notes</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>	<u>Total</u>
Incoming Resources						
Grants	2	32,680	-	-	32,680	37,867
Donations	3	79,418	-	-	79,418	68,184
Interest		1,884	160	-	2,044	1,916
Other Income		3,126	-	-	3,126	2,449
		117,108	160	-	117,268	110,416
Direct Charitable Expenses						
Provision of Services	7	33,082	-	-	33,082	22,267
Educational Expenses	8	10,646	3,501	-	14,147	11,597
		43,728	3,501	-	47,229	33,864
Other Expenses						
Administrative Expenses	5	77,050	-	-	77,050	75,487
		120,778	3,501	-	124,279	109,351
Net Expenditure resources before revaluation and transfers		(3,670)	(3,341)	-	(7,011)	1,065
Extraordinary item		1,411	-	-	1,411	-
Unrealised gain on revaluation		-	-	-	-	25,000
Net Movement in funds		(2,259)	(3,341)	-	(5,600)	26,065
Fund balances:-						
at 1 April 1997		9,021	5,185	189,462	203,668	177,603
at 31 March 1998		6,762	1,844	189,462	198,068	203,668

Lothian Marriage Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 1998

1 Accounting Policies

Accounting Convention

The financial statements are prepared in compliance with the Companies Act 1985 and under the historic cost convention, modified to include the revaluation of certain fixed assets.

The requirements of the Statement of Recommended Practice - Accounting for Charities have also been incorporated.

Donations and Other Forms of Voluntary Income

Monies received in the form of donations and other voluntary income are credited to the Income and Expenditure Account when received by the company.

Grants Received

Grants are credited to the Income and Expenditure Account in the year in which they are received.

Expense Allocation

The charitable expenses of the company are split between the provision of counselling services and educational expenses.

The expenses allocated to the provision of counselling services include all payments made to counsellors for work carried out in addition to their voluntary work together with all travelling, advertising and other expenses which can be directly attributed to that work. These costs are analysed in Note 7.

The expenses allocated to educational expenses include all training and supervision of counsellors together with the costs directly attributable to the provision of a bookstall and library to enhance the work of the company. The allocation also includes subscriptions to related professional bodies. These costs are analysed in Note 8.

All other expenditure, which cannot be directly attributed to these categories, is shown as part of the administrative expenses. These costs are analysed in Note 5.

The practice of providing an honorarium to the Treasurers was discontinued in 1996 and all sums paid for services rendered in that capacity are included in the wages and salaries shown in Note 4.

Lothian Marriage Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 1998

1 Accounting Policies (Continued)

Fixed Assets

All equipment bought by the company is written off in the Income and Expenditure Account in the year in which it is purchased.

No provision is made for the depreciation of heritable property as the Council of Management is of the opinion that such provision would be inappropriate as the property is maintained in a good state of repair, is increasing in value and has a life expectancy in excess of fifty years.

Stocks

The books for resale are valued at the lower of cost and net realisable value.

VAT

The company is not registered for VAT and accordingly expenditure includes a VAT element where appropriate.

2 Grants Received

	1998	1997
	£	£
City of Edinburgh	21,416	21,632
--do-- Supplementary Grant	-	924
West Lothian Council	7,284	7,284
East Lothian Council	-	4,047
Midlothian Council	3,980	3,980
	<u>32,680</u>	<u>37,867</u>

3 Donations

	1998	1997
	£	£
Clients' Contributions	70,609	58,960
Group and Publicity work	1,246	967
Individual Donations (including Covenants)	3,393	2,897
Donations from Industry and Commerce	1,900	2,350
The William Thyne Trust	1,070	-
Cruden Foundation	500	500
Netherdale Trust	500	750
Dickson Minto Charitable Trust	200	200
Other Trusts	-	1,560
	<u>79,418</u>	<u>68,184</u>

Lothian Marriage Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 1998

4 Staff Numbers and Costs

The average weekly number of administrative employees of the Service during the year was 8 (1997 - 8).

The aggregate remuneration and associated costs of the Service were:-

	1998	1997
	£	£
Wages and Salaries	51,496	43,836
Social Security	2,974	2,850
Pension	1,036	942
	<u>55,506</u>	<u>47,628</u>

Trustees' Remuneration and Expenses

No remuneration was paid to any of the Committee members during the year (1997 : Nil)

No expenses were reimbursed to any of those members in the year (1997 : Nil)

5 Administration Expenses

	1998	1997
	£	£
Rates and Insurance	2,943	2,684
Heat and Light	1,746	2,126
Repairs and Renewals	5,539	9,439
Cleaning	1,491	1,326
	<u>11,719</u>	<u>15,575</u>
Salaries, Wages & National Insurance (note 4)	55,506	47,628
Printing and Stationery	2,635	1,588
Telephone and Postage	3,365	2,605
General Expenses	1,581	1,198
Office Equipment	80	5,264
Report and AGM	1,236	944
Audit Fee	928	685
	<u>77,050</u>	<u>75,487</u>

6 Taxation

The Service is recognised by the Inland Revenue as a charity and is not liable to Corporation Tax on the surplus for the year.

Lothian Marriage Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 1998

7 Provision of Services Counselling

	1998	1997
	£	£
Payments to Counsellors	31,663	21,422
Public Liability Insurance	221	-
Travelling expenses	460	248
Advertising	738	597
	<u>33,082</u>	<u>22,267</u>

8 Educational expenses

	1998	1997
	£	£
Counsellors' Training and Supervision Costs	9,474	10,370
Bookstall, Library and Journals	1,716	2,137
Less: Sales	(984)	(1,380)
Fees to Marriage Counselling Scotland	440	470
Relateen Project Expenditure	3,501	-
	<u>14,147</u>	<u>11,597</u>

9 Tangible Assets

The heritable property was revalued on 13 March, 1997 by Shepherd & Co., Chartered Surveyors on an open market basis at £175,000.

10 Debtors

	1998	1997
	£	£
Taxation recoverable from Deeds of Covenants	285	570
Insurance paid in advance	221	-
	<u>506</u>	<u>570</u>

11 Creditors : Amounts falling due within one year

	1998	1997
	£	£
Accruals	2,379	11,521
Other taxes and social security costs	1,209	1,152
Other creditors	-	6,000
Income Received in Advance	1,568	310
	<u>5,156</u>	<u>18,983</u>

Lothian Marriage Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 1998

1 2 Membership

The company has no share capital and is limited by the guarantee of 35 members to a maximum of £10 each.

1 3 Capital Reserve

	1998	1997
	£	£
Property at valuation 1 April, 1997	175,000	150,000
Revaluation during year (Note 9)	-	25,000
Property at revaluation 31 March, 1998	175,000	175,000
Capital Accrued prior to incorporation	14,462	14,462
	189,462	189,462

The Capital Reserve represents the value of the property held by the company, together with the surpluses accumulated by the company from its instigation in June 1946, until its incorporation.

1 4 Other Reserves

	<u>General</u> <u>Fund</u>	<u>Development</u> <u>Reserve</u>	<u>Total</u>
	£	£	£
At 1 April, 1997	9,021	5,185	14,206
Deficit For The Year	(2,259)	(3,341)	(5,600)
At 31 March, 1998	6,762	1,844	8,606

The General Fund represents the surplus accumulated since the company was incorporated in 1988.

The Development Reserve was created in 1996 to cover the expense of marking the 50th anniversary of Lothian Marriage Counselling Service. In particular it was intended to cover the costs of preparation and printing of publicity material, investigating the feasibility of setting up a Relateen service and the mounting of a Family Forum in October 1997.