

Couple Counselling Lothian
(A company limited by guarantee)

Report and Financial Statements
For the Year Ended 31 March 2007

Charity number SC011989
Company number 110621

FRIDAY



S5K45VH2

SCT

14/12/2007

1043

COMPANIES HOUSE

COUPLE COUNSELLING LOTHIAN
(A company limited by guarantee)
Report and Financial Statements
For the Year Ended 31 March 2007

Contents	Page
Report of the Council of Management	2 6
Independent Auditor's Report to Members	7
Statement of Financial Activities incorporating Income and Expenditure Account	8
Balance Sheet	9
Notes forming part of the financial statements	10 14

COUPLE COUNSELLING LoTHIAN
(a company limited by guarantee)

Report of the Council of Management

For the year ended 31 March 2007

Reference and Administrative Information

Charity Name	Couple Counselling Lothian
Charity registration number	SC011989
Company registration number	110621
Registered Office and operational address	9a Dundas Street Edinburgh EH3 6QG

Management Committee

Stewart F Lee (Chair)
David Binnie
Anne Callander
James Cook
Hely Henney (resigned 6 September 2006)
Susie Jackson
Alasdair Loudon (appointed 6 September 2006)
Jane Mackie
Jonathan Tweedie (resigned 6 September 2006)

Secretary

Rosalind Hume

Auditors

Scott Moncrieff
17 Melville Street
Edinburgh
EH3 7PH

Bankers

Bank of Scotland
38 St Andrew Square
Edinburgh
EH2 2YR

Solicitors

Fyfe Ireland WS
32 Charlotte Square
Edinburgh
EH2 4ET

COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Report of the Council of Management

For the year ended 31 March 2007

The Council of Management presents its report along with the financial statements of the charitable company for the year to 31 March 2007. The financial statements have been prepared in accordance with the Memorandum and Articles of Association and the recommendations of the Statement of Recommended Practice Accounting and Reporting by Charities and comply with applicable law.

Structure, Governance and Management

Couple Counselling Lothian 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.

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

Recruitment and Appointment of the Council of Management

The Council of Management consists of no 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 Council of Management reviewed their membership in light of skills and experience in 2006 and distributed an advertisement for potential new members within the voluntary sector. A number of new members are expected to be appointed in 2007/08.

Trustee Induction and Training

New members to the Council of Management are given a job description and trustee induction.

Risk management

The Council of Management have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems are in place to mitigate exposure to the major risks.

Organisational structure

There is a full time Director, Rosalind Hume, who is supported by a part time Practice Manager and two Office Managers and one acting Office Manager to ensure that there is cover at Dundas Street from 9 am to 9 pm four days a week and from 9 am to 5 pm on Friday. There are also one Senior Administrator and two Administrator Receptionists as well as four Volunteer Receptionists.

At 31 March 2007 there were 18 sessionally paid counsellors/therapists, 12 Accept students and 2 Relate Scotland Diploma students.

Objectives and Activities

Couple Counselling Lothian is committed to providing a range of high quality professional therapeutic and educational services for adults, children and young people and their wider families who are experiencing relationship difficulties. We provide these services regardless of race, religion, gender and ability to pay.

COUPLE COUNSELLING LoTHIAN
(a company limited by guarantee)

Report of the Council of Management continued

For the year ended 31 March 2007

Objectives and Activities continued

Key objectives

- Maintain and enhance the quality and professionalism of our services
- Ensure all CCL services meet clients' demands within an acceptable timescale
- Maintain and develop existing services and delivery methods
- Ensure adequate funding for core services and seek funding to develop new services
- Increase social inclusion of services throughout Lothian

Supporting objectives

- Continue to support staff, recognizing the important role they play within the agency
- Continue to support volunteers

Opportunity objectives

- Seek Links with partners/agencies
- Maximise the effect of operating under the "Relate" brand

Achievements and performance

Our counsellors have continued to offer a range of professional counselling services to couples and individuals who seek help in dealing with difficulties in their relationships. The number of appointments offered in 2006/07 have shown a small increase from the previous year. 5,161 appointments in Dundas Street were offered compared to 5,092 in the previous year. In the Community 567 were offered compared to 569 in the previous year. The show up rate was 73.6% (2006 76.6%). Meanwhile, the waiting list remained high but it is hoped that we will be better placed in 2007/08 to increase the number of counselling appointments we can offer when the first cohort of new trainees and placements finish the first part of their training.

Activities that have taken place in 2006/07 to meet the key objectives include

- Recruiting 10 new student/counsellors to the Relate Scotland Accept scheme to provide mentoring and training in couple work,
- Introducing a telephone counselling service,
- Introducing a pilot domestic abuse identification programme to identify cases requiring special treatment before therapeutic work begins,
- Setting up a joint intake project with Family Mediation Lothian at Dr Bell's Family Centre in Leith,
- Getting funding to extend the family therapy and the young persons project to Midlothian and South Edinburgh

Introducing the new electronic appointment system has been slow largely because of lack of IT knowledge and support inhouse. We were very fortunate at the end of 2006/07 to be awarded an IT post (3 days a week) to share with Family Mediation Lothian, funded by the Scottish Executive Change Agenda. This will help implement the new system and set up new databases and IT systems in house.

During 2006/07, discussions took place between Couple Counselling Lothian and Relate Scotland about membership and the sublicense to use the Relate name. These discussions are still ongoing. Couple Counselling Lothian is also seeking consultancy advice over possible merger/closer co operation with Family Mediation Lothian.

Financial review

In the year to 31 March 2007, income rose from £182,179 to £233,529. Expenditure increased from £188,316 to £208,717. Overall there was a surplus for the year of £24,812 compared to a deficit of £6,137 in the previous year but this takes credit for £27,912 of restricted income for projects to be undertaken in 2007/08. Excluding this amount, the shortfall in unrestricted funds was £3100 for the year to 31 March 2007, reducing the free reserves (unrestricted funds) from £21,989 to £18,889.

COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Report of the Council of Management – continued

For the year ended 31 March 2007

Financial review – continued

The reduction in unrestricted funds is due to a planned increase in expenditure aimed at strengthening the capacity building of the organisation primarily through training new counsellors

During 2007/2008, the Council of Management will continue with their income generating strategy to enable CCL to,

- maintain its current activities, and
- implement the strategic and operational plans which were presented at the Company's Annual General Meeting in September 2005

Principal funding sources

We would like to thank the following for their generous financial support

The Binks Trust / Cruden Foundation / City of Edinburgh Council / Dedridge Medical Group / Dickson Minto / EVOT / Mr and Mrs Elliot / Lloyds TSB Foundation / Midlothian Regeneration Fund / Nationwide Foundation / Scottish Community Trust / Scottish Executive Change Agenda / The Scottish Business Achievement Award Trust / South Edinburgh Community Partnership/West Lothian Council as well as the many clients and anonymous donors whose contributions have helped us maintain our services

Reserves policy

The Directors have identified an ideal 'free' reserve requirement of £35,000, based on three months expenditure in the event the activities should discontinue Actual, unrestricted or 'free' reserves at 31 March 2007 were £18,889

Responsibilities of the Council of Management

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 the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year In preparing those financial statements, the management committee should follow best practice and

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

The Council of Management is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985 The Council of Management is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Members of the Council of Management

Members of the Council of Management, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2

COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Report of the Council of Management – continued

For the year ended 31 March 2007

Disclosure of information to auditors

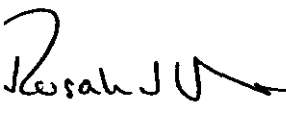
As far as each of the directors at the time this report is approved are aware

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

Auditors

Scott Moncrieff were re appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity

Approved by the Council of Management on 8th August 2007 and signed on its behalf by



Rosalind Hume Company Secretary

COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Independent Auditors' Report to the members

For the year ended 31 March 2007

We have audited the financial statements of Couple Counselling Lothian for the year ended 31 March 2007 as set out on pages 8 to 14. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members and Council of Management, as a body, in accordance with Regulations made under the Charities and Trustee Investment (Scotland) Act 2005 and Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and Council of Management as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council of Management and auditors

The responsibilities of the Council of Management (who are also the directors of Couple Counselling Lothian for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council of Management's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Regulations made under the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 1985. We also report to you whether the information given in the Council of Management's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding council members' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information contains only Council of Management's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- have been properly prepared in accordance with the Regulations made under the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 1985, and
- the information provided in the Council of Management's Report is consistent with the financial statements.

Scott Moncrieff
Scott Moncrieff
Registered Auditor
Chartered Accountants
17 Melville Street
Edinburgh EH3 7PH

8 August 2007

COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Statement of Financial Activities
(including Income and Expenditure Account)

For the year ended 31 March 2007

	Notes	Capital Reserve £	Unrestricted Funds 2007 £	Restricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income						
Donations and grants	2		151,715	12,010	163,725	153,831
Investment income			1,605		1,605	1,452
Incoming resources from charitable activities:	3					
Grants			24,749	43,450	68,199	26,896
Total incoming resources			178,069	55,460	233,529	182,179
Resources expended						
Charitable activities	4		183,206	22,133	205,339	184,117
Governance costs	4		3,378		3,378	4,199
Total resources expended			186,584	22,133	208,717	188,316
Net (outgoing)/incoming resources before transfers			(8,515)	33,327	24,812	(6,137)
Gross transfers between funds			5,415	(5,415)		
Net movement in funds/ surplus/(shortfall) for the year			(3,100)	27,912	24,812	(6,137)
Total funds brought forward		364,462	21,989	3,849	390,300	396,437
Total funds carried forward		364,462	18,889	31,761	415,112	390,300

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

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

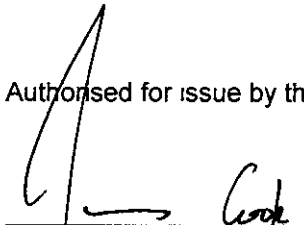
COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Balance Sheet

For the year ended 31 March 2007

	Notes	£	2007 £	£	2006 £	£
Fixed assets						
Tangible Assets	5			350,000		350,000
Current assets						
Stock			302		302	
Debtors	9		9,043		9,334	
Cash at bank and in hand			75,777		56,078	
			85,122		65,714	
Creditors						
amounts falling due within one year	10		20,010		25,414	
Net current assets				65,112		40,300
Net assets				415,112		390,300
Funds	12, 13					
Unrestricted funds						
Capital Reserve			364,462		364,462	
General funds			18,889		21,989	
				383,351		386,451
Restricted funds				31,761		3,849
				415,112		390,300

Authorised for issue by the Council of Management on *8th August* 2007 and signed on its behalf by


James Cook Director

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

COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 March 2007

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 1985, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Unrestricted funds include a capital reserve representing the valuation of fixed assets.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities (SoFA) when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when receivable.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(d) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Where this is not possible, expenses are allocated on the basis of time spent by staff on each activity.

COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2007

(e) Fixed assets

Capital items costing under £1,000 are expensed through the Statement of Financial Activities

The heritable property was revalued by Montagu Evans on 16 January 2004. No depreciation is charged on the property. The property is maintained in a good state of repair and, on the basis of professional advice received, the Council of Management are of the opinion that the estimated realisable value of the property exceeds the valuation and therefore any depreciation would be immaterial on an aggregate basis.

(f) Pension costs

Pension contributions are made to an approved money purchase scheme. These are charged in the year in which they are incurred.

(g) VAT

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

2 Donations

	Unrestricted	Restricted	2007 Total £	2006 Total £
	£	£		
The Binks Trust	2,000		2,000	2,000
Awards For All				4,975
Lloyds TSB		4,000	4,000	4,000
Scottish Business Achievement Award	2,000		2,000	2,000
Nationwide Foundation		4,795	4,795	
Other grants	3,190	3,215	6,405	1,190
Donations from individuals	144,525		144,525	139,666
	<u>151,715</u>	<u>12,010</u>	<u>163,725</u>	<u>153,831</u>

3 Incoming resources from activities to further the Charity's objectives

	2007 Total £	2006 Total £
Grants		
Scottish Executive	43,450	
Edinburgh City Council	17,920	18,012
West Lothian Council	6,829	8,884
	<u>68,199</u>	<u>26,896</u>

COUPLE COUNSELLING LOTHIAN
(a company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2007

4. Resources expended

	Charitable activities £	Governance costs £	Total 2007 £	Total 2006 £
Other operating charges				
Audit fee		3,378	3,378	2,969
Administration costs	35,958		35,958	37,421
Professional fees	9,014		9,014	9,072
	44,972	3,378	48,350	49,462
Staff costs				
Salaried employees	89,299		89,299	77,587
Sessional counsellors*	71,068		71,068	61,267
	205,339	3,378	208,717	188,316

*Sessional counsellors' staff costs include supervision fees of £12,213 (2006 £12,659)

5. Fixed assets

Heritable property	2007 £	2006 £
Balance as at 31 March 2006 and 31 March 2007	<u>350,000</u>	<u>350,000</u>

6. Staff costs and numbers

Staff costs were as follows	2007 £	2006 £
Wages and salaries	139,088	118,815
Social security costs	6,887	5,414
Pension costs	2,179	1,966
	<u>148,154</u>	<u>126,195</u>

The above staff costs exclude supervision fees of £12,213 (2006 £12,659)

No employee received emoluments of more than £60,000

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows

	2007	2006
Charitable activity	3	3
Support staff	3	3

The charity contributes to the SCVO Money Purchase Pension Fund for Senior Staff members.

COUPLE COUNSELLING LoTHIAN
(a company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2007

7 Management Committee Remuneration & Related Party Transactions

No members of the management committee received any remuneration during the year

No members of the management committee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2006 – Nil)

8. Taxation

As a charity, Couple Counselling Lothian is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

9. Debtors

	2007 £	2006 £
Accrued income		2,479
Other debtors and prepayments	9,043	6,855
Total	9,043	9,334

10 Creditors

	2007 £	2006 £
Taxation and social security	2,671	5,845
Other creditors and accruals	17,339	19,569
Total	20,010	25,414

11. Transfers

The transfers from restricted funds to unrestricted funds represent the contributions to the costs of managing the projects.

12. Analysis of net assets between funds

	General Funds £	Capital Reserve £	Restricted Funds £	Total Funds £
Tangible fixed assets		350,000		350,000
Current assets	38,899	14,462	31,761	85,122
Current liabilities	(20,010)			(20,010)
Net assets at 31 March 2007	18,889	364,462	31,761	415,112

COUPLE COUNSELLING LoTHIAN
(a company limited by guarantee)

Notes to the Financial Statements (continued)

For the year ended 31 March 2007

13 Movement in Funds

	At 1 April 2006 £	Incoming resources (inc gains) £	Outgoing resources £	Transfers £	At 31 March 2007 £
Restricted funds					
Scottish Executive Change Agenda		19,550	(7,659)	(2,771)	9,120
Scottish Executive Local Family Support		23,900	(3,072)	(1,078)	19,750
The South Edinburgh Partnership Limited		1,500			1,500
Midlothian Community		940	(369)		571
Nationwide Foundation		4,795	(4,029)	(766)	
Scottish Community Foundation		775	(775)		
Lloyds TSB	2,281	4000	(6,229)	(52)	
Young Person's Education programme	1,568			(748)	820
Total restricted funds	<u>3,849</u>	<u>55,460</u>	<u>(22,133)</u>	<u>(5,415)</u>	<u>31,761</u>
Unrestricted funds					
Capital reserve	364,462				364,462
General fund	21,989	178,069	(186,584)	5,415	18,889
Total unrestricted funds	<u>386,451</u>	<u>178,069</u>	<u>(186,584)</u>	<u>5,415</u>	<u>383,351</u>
Total funds	<u>390,300</u>	<u>233,529</u>	<u>(208,717)</u>		<u>415,112</u>

Purposes of Restricted Funds

Scottish Executive Change Agenda This is a joint project with Family Mediation Lothian to set up an integrated counselling and mediation service for families which is being piloted at Dr Bell's Family Centre in Leith

Scottish Executive Local Family Support This is another joint project with Family Mediation Lothian to appoint a part time IT officer to set up IT procedures and databases including the new electronic appointment system at Couple Counselling Lothian

The South Edinburgh Partnership Limited Project to extend the Family Therapy project to South Edinburgh

Midlothian Community Regeneration Fund Project to extend the Young Person's Project into Midlothian

The Nationwide Foundation Funding to provide training and consultancy to set up the domestic abuse pilot

Scottish Community Foundation Funding to set up a telephone counselling service

Lloyds TSB Counselling Young Persons Project This is year two of a three year grant to develop a young person's counselling project within the Family Therapy team

Young Person's Education Programme This is a project to provide young people with the skills to understand issues relating to their relationships with their families and significant other relationships. It was agreed to combine this with the Lloyds TSB project to support the young person's project