

COUPLE COUNSELLING LOTHIAN
(Operating name from 29 February 2016 – BRIGHT LIGHT)
(A Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2016

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**COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)**

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2016

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**COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)**

REPORT of the COUPLE COUNSELLING LOTHIAN BOARD

For the year ended 31 March 2016

Reference and Administrative Information

Charity Name: Couple Counselling Lothian (operating name Bright Light)

Charity registration number: SC011989

Company registration number: SC110621

Registered Office and
operational address: 9a Dundas Street
Edinburgh
EH3 6QG

Couple Counselling Lothian Board (Trustees and Directors)

James Lyall (Acting Chair 29 February 2016, elected 15 March 2016)

Rosalind Brooke (Chair resigned 29 February 2016, re-elected as a Trustee 15 March 2016)

Nicolas Child

Jane Jowitt (resigned 25 October 2015)

Alistair Marquis

Jacqueline McRae

Kareen Rodger

Elspeth Turner

Ceit-Anna Macleod (appointed 13 July 2016)

Angela Valerio (appointed 13 July 2016)

John Rowan (appointed 13 July 2016)

Secretary/Chief Executive

Julie Hogg-Weld

Auditor

Chiene + Tait LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

Bankers

Bank of Scotland

38 St Andrew Square

Edinburgh

EH2 2YR

REPORT of the COUPLE COUNSELLING LOTHIAN BOARD (Contd.)

For the year ended 31 March 2016

Couple Counselling Lothian Board of Trustees (daily used name Bright Light) presents its report along with the financial statements of the charitable company for the year to 31 March 2016. The financial statements have been prepared in accordance with the Memorandum and Articles of Association of the company's legal name, Couple Counselling Lothian, and the recommendations of the Statement of Recommended Practice Accounting and Report (SORP) for charities and comply with applicable law.

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. It provides these services regardless of race, religion, gender and ability to pay.

Key objectives:

- Monitor and develop quality services, ensuring consistency of quality and professionalism of our services;
- Develop new quality services in response to changing client need;
- Ensure adequate funding for core services and seek funding to develop new services;
- Continue to support and develop staff, recognising the important role they play within the agency;
- Continue to review the client journey, striving to always improve and to share learning/good practice;
- Continue to support volunteers and interns to optimise their experience with us and future opportunities;
- Develop links with partners/agencies; and
- Grow our social media impact and harness technological opportunities.

These objectives are still deemed to be appropriate and will be reviewed at our next Away Day scheduled October 2016.

Achievements and performance

To meet the key objectives:

- Extensive consultation, design and successful launch of our new name and brand Bright Light relationship counselling, launched at our AGM on 29th February 2016;
- Design and roll out of our bespoke IT client management system that is already providing invaluable in both making the client journey smooth and professional and enabling us to monitor and evidence robust outcomes – the difference our work makes to people's lives;
- Social media – we attracted two excellent intern placements thanks to the SCVO CJS Scheme and they raised our presence through various media;
- Review to maximise our room usage and try to decrease our waiting list as need for our services continue to rise whilst we work with limited resources;
- Extensive growth of our Family Therapy Team and their work;
- Launch of our Keys to Life counselling service to support parents with learning disabilities;
- Design production and launch of our new Bright Light website and information materials;
- Key networking and pro-active partnership working with other agencies;
- Continuous upgrade of the building and ongoing commitment to delivering a first class client experience at Bright Light; and
- Client contributions including gift aid increased in 2015/16 from £188,841 in the previous year to £193,740. The increase of £4,899 reflects the diverse range of clients we support. Some people were able to contribute more this period, however this can change depending on economic circumstances and we were able to deliver more appointments.

REPORT of the COUPLE COUNSELLING LOTHIAN BOARD (Contd.)

For the year ended 31 March 2016

Achievements and performance - continued

Highlights in Therapies

Restorative Relationship Therapy (RRT)

The project has really gelled this year. The counsellors' focus group reported back to management highlighting changes to the way the team was managing abusive relationships. A number of innovative techniques have been introduced:

- The regular four-way session where the couple comes together with both therapists has been given more structure with the introduction of the reflective team.
- The resulting structure meant firmer holding of highly agitated partners.
- The focus of RRT was clarified. Where before it was felt that the couple's presenting problem which had to be worked on; now it is solely focused on de-escalating abusive interaction. The client's problem will be worked on if they go on to couple counselling. This clarified the nature of this particular type of work. It is more clearly relationship focused rather than perpetrator focused. It is felt that this focus is more closely fits the agency's relationship culture. This resulted in the change of name from Restorative Practice to Restorative Relationship Therapy.

We have strengthened our collaboration with the Violence Against Women Partnership, a consortium of statutory and non-statutory services committed to stop gender based violence. Further recruitment and training was carried out to strengthen the team.

GIRFEC

After following developments for years, Bright Light now has a good set of procedures for contacting the correct named person at the appropriate statutory agency in order to communicate concerns.

Risk Assessment

The domestic abuse risk assessments have been brought up to date with current legislation to include stalking, honour-based violence and economic abuse. It has also had a summary page added in order to help the assessor to best articulate their decision about risk. It is now called a GIRFU.

Mentoring Counselling Students

Rather than simply offering a placement to students, we are giving mentoring to them. They are observing counselling sessions and having tutorial about their work. We are also listening to their taped sessions and ensuring quality work. Both of these developments allow for greater quality control.

School Counselling

Three school counsellors worked in two secondary schools (Leith Academy and Liberton High), offering quality therapy to young people living in abusive and difficult home environments.

Family Therapy

An exciting project was begun in collaboration with FTTN where four counsellors were offered foundation training in systemic practice. The team grew from four to nine. This has allowed more formal clinics to be organised. Clients are given a better experience of family therapy. The desired shift in the team to weight it more towards family practitioners is coming to fruition. This work has formed part of a new nationwide pilot using an apprenticeship model for training counsellors and mediators in systemic therapy. We feel that we have managed to future proof Bright Light's capacity to work with families.

Sam Petrie, the lead family therapist, was one of the principal presenters at the Dynamic Earth event; Holding the Family in Mind, where the pilot was unveiled and preliminary results published. Sam also takes part in the cross-party parliamentary group on children and young people.

Very useful connections are being developed with other third sector players working with families as well as with mental health teams in the NHS. Our impressive team is helping to upskill the entire sector. We are seeing a growth in the number of families approaching the service for help.

**COUPLE COUNSELLING LOTHIAN
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REPORT of the COUPLE COUNSELLING LOTHIAN BOARD (Contd.)

For the year ended 31 March 2016

Achievements and performance - continued

Outcomes Measures

In the last CPD offered of the year, training in the CORE Clinical Outcome Measure was given which is used for individuals. It will be implemented in the coming year. We now use SCORE 15 for family therapy, an adaptation, SCORE CC, for couples, CORE YP for young people and CORE for individuals. This means that we have greater capacity to produce the required outcomes information regarding our work with clients.

Number of sessions offered in the last 12 months – 5,975 (compared to 5,512 in 2015 – an increase of 463 sessions offered); completed – 5,143 (compared to 4,821 completed in 2015 – an increase of 322 sessions completed)

Number of clients registered – 1,355 (compared to 1,332 in 2015 – an increase of 23).

Financial review

In the year to 31 March 2016, income was £344,789 (2015: £312,077) and expenditure was £344,497 (2015: £292,388). Income increased, due principally to new grants awarded in the year. Unrestricted reserves (excluding the designated reserves) increased during the year by £25,781 to £100,776. As detailed in Note 13, the Directors have designated £91,624 of funds at the year-end towards activities that they expect to take place during the forthcoming year. The organisation's investment in new counsellors is ongoing. The Directors continue to look carefully at cost efficiencies and to work hard at attracting additional external funding to support its activities, coupled with maximising the number of counselling hours offered and client contributions received.

Principal funding sources

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

The Big Lottery, Lloyds TSB Foundation, The Binks Trust, City of Edinburgh, West Lothian, Midlothian and East Lothian Councils, Dedridge Medical Group, The Volant Trust, Violence Against Women, Keys for Life and Relationships Scotland as well as the many clients and anonymous donors whose contributions have helped us maintain our services.

Investment policy

The cash reserves of the organisation are held in interest bearing accounts. The Directors keep this arrangement under regular review and pay particular attention to the requirement to ensure that sufficient liquidity is maintained to enable the organisation to manage its commitments.

Reserves policy

The Directors are responsible for ensuring that, in the event the organisation was to discontinue, there would be enough funds available to meet their contractual obligations, including running costs for three months. The actual unrestricted 'free' reserves, excluding funds designated for particular purposes at 31 March 2016 are £100,776. The Directors have estimated that, if CCL were not to continue, the amount required would be approximately £66,000. This level of unrestricted reserves adequately meets such obligations. The Directors' objective is to maintain this level of reserves during the coming year.

The level of restricted reserves held at the year-end amounted to £nil. Further details of these restricted funds are given in Note 13.

REPORT of the COUPLE COUNSELLING LOTHIAN BOARD (Contd.)

For the year ended 31 March 2016

Principal risks and uncertainties

The CCL Board 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. Principle risks and uncertainties identified and actions taken to manage them are:

- Lack of range of skills, membership, and succession planning for the Board of Trustees. During 2016 we actively recruited with much success. We gained three new Board members with the experience, contacts and skills we were looking for. We also have been able to sustain continuity as one Chair stepped down and another Trustee was adopted to fill the vacancy. We now also have the vacancy of Vice Chair filled.
- Potential reduction in income/client contributions due to austerity – people have less money personally and less to contribute to help our work. We have countered this through providing more sessions than ever before and by ensuring we were reaching a diverse audience. We continue to identify new funding streams and actively seek out new supporters whilst building and maintaining quality partnerships/relationships with ongoing funders. We have also recruited staff with a proven history and skill to secure funding.
- We provide services that don't meet the changing needs of clients. We counter this by being a listening organisation – actively seeking and listening to what clients tell us works, does not work, and where the gaps lie. Client feedback is central to the quality and diversity of services we provide. We also commit to ongoing training to ensure our staff and services are up to date and of the best quality possible.

Plans for future periods

Key objectives are:

- Continue to source funding for existing and new services and further grow our Family Therapy service;
- Gain ongoing feedback from our clients on what works, what does not, and identify and fill service delivery gaps as client needs change;
- Successful induction and integration of new Board members and source a new Treasurer to replace our long serving current one who is leaving to concentrate on other areas;
- Delivery of a successful Away Day where we concentrate on our new brand, revisiting our mission, values, strategic and business plan;
- Continue to raise our profile, partnership working, social media presence, and range of information materials;
- Explore potential relationships/partnerships with corporate bodies;
- Contribute to numerous consultations so that Bright Light is influencing policy and service delivery;
- Revisit our outreach work and use of technology for counselling with a view to reaching even more people who need us;
- Explore potential of training arm as a social enterprise; and
- Continue to successfully manage our organisation in times of great external change.

Structure, Governance and Management

Couple Counselling Lothian is our registered legal name. In February 2016 at our last Annual General Meeting, after 12 months of intensive consultation with clients, funders, staff, counsellors and other key bodies, we launched our new name and brand Bright Light, relationship counselling, and this is the name we use on a daily basis as it more accurately reflects where we are now as an organisation plus wider range of services, when in the past the majority of our work was couple counselling. 29th February 2016 was also when a comet crossed across the skies of Scotland and we hope this coincidence proves to be a good omen. We gained much social media coverage because of the link and timing.

**COUPLE COUNSELLING LOTHIAN
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REPORT of the COUPLE COUNSELLING LOTHIAN BOARD (Contd.)

For the year ended 31 March 2016

We first started providing a much used counselling service back in 1947 and we are one of the oldest and largest counselling organisations in Edinburgh and the Lothians. Under our legal name, Couple Counselling Lothian, we are a company limited by guarantee having no share capital and we are governed by a Memorandum and Articles of Association dated 15th April 1988 and amended by Special Resolution on 19 May 1988, 22nd February 1990, and 23rd February 2011. The Articles of Association state that the business of the company shall be managed by the Couple Counselling Lothian Board. We are currently deciding whether to change the legal name to Bright Light, should this happen, our Memorandum and Articles of Association will be changed in line with OSCR and Companies House requirements. The service is registered as a charity in Scotland as SC011989.

Recruitment and Appointment of the CCL Board

The Board consists of no fewer than 5 and not more than 12 members. The Board 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.

Jane Jowitt left the Board after contributing many years of wisdom and commitment for which we will always be grateful. Rosalind Brooke decided to leave the role of Chair but Trustees were delighted to accept her offer of remaining as a Trustee. James Lyall was then elected as the new Chair. To secure the best people for the role of Board Member, plus our commitment to equal opportunities, any vacancies are advertised widely. We offer 'an informal getting to know each other' meeting to interested candidates before applications are completed by interested candidates. Those selected for interview meet with a panel consisting of Board members and CEO. The delegated panel present their recommendations at the next Board meeting and new Board members are accepted on the Board with formal adoption taking place at the next AGM. References of new Board members are always taken up and reviewed.

Director Induction and Training

New members to the Board are given a role description, copy of our Memorandum and Articles of Association, most recent financial statements, Business Plan, and all are signposted to the OSCR governance website that all our Board refer to on an ongoing basis. We are currently testing out a buddying system between existing and new members to see if this is valuable. All new board members receive induction to the organisation and staff, plus governance training for new and refresher updates for existing Board members. Regular skills audits are completed and reviewed by the Board to identify strengths and gaps in its membership and for succession planning. A training programme is developed to fill some of the gaps identified.

Organisational structure

In order to cover the opening times at Dundas Street from 9am to 9pm four days per week and from 9am to 5pm on a Friday and from 10am to 2pm on Saturdays there are 3 part time receptionists and one full time post, the Client Relationship Manager. In the last year we have created a separate waiting list that has improved the client's journey as it's more comfortable as well as confidential.

The Chief Executive, Counselling Practice Manager, and Client Relationship Manager are the senior management team and meet regularly to review and develop services, share learning and good practice, and vitally, forward plan. A part time accountant manages the finances and reports to the CEO, Treasurer and Board of Trustees.

At 31st March 2016 there were 20 paid counsellors/therapists, 6 volunteer counsellors, 7 student/placements, and 13 paid supervisors.

**COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)**

REPORT of the COUPLE COUNSELLING LOTHIAN BOARD (Contd.)

For the year ended 31 March 2016

Key management personnel and remuneration policy

The directors consider the board of directors, who are also the trustees, the Chief Executive, the Practice Manager, Lead of Family Therapy and the Client Relationship Manager to comprise the key management personnel of the charity as they are in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give their time freely and no director received remuneration nor expenses in the year.

The remuneration policy of the charity is:

"Directors' remuneration and expenses – extract from Memorandum and Articles of Association –

151. Subject to the permissible exceptions in Articles 9 and 15 no Director shall be entitled to any remuneration, whether in respect of her or his serving as a Director or as a holder of any executive office under the Company

152. A Director may be paid all reasonable travel, subsistence and other expenses incurred by him or her in connection with her or his attendance at meetings of the Directors, sub-committees of the Directors, general meetings of the Company or otherwise in connection with the discharge of her or his duties."

Responsibilities of the Couple Counselling Lothian Board

The CCL Board (who are also Directors of Couple Counselling Lothian for the purposes of company law) are responsible for preparing the Report of the Couple Counselling Lothian Board and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the CCL Board 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 and of the incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the CCL Board 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 charitable company will continue in operation.

The CCL Board is responsible for keeping adequate accounting records, that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements, comply with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The CCL Board 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.

In so far as the CCL Board is aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the CCL Board have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Members of the Couple Counselling Lothian Board

Members of the CCL Board, 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 1.

**COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)**

REPORT of the COUPLE COUNSELLING LOTHIAN BOARD (Contd.)

For the year ended 31 March 2016

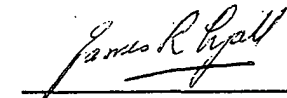
Auditor

A resolution to re-appoint Chiene + Tait LLP, Chartered Accountants, will be proposed at the Annual General Meeting.

Small company exemptions

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

Approved by the Couple Counselling Lothian Board on 28th October 2016 2016 and signed on its behalf by


James Lyall
Chair

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS
AND MEMBERS OF COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)**

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We have audited the financial statements of Couple Counselling Lothian for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its directors 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, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Couple Counselling Lothian Board and auditor

As explained more fully in the Responsibilities of the Couple Counselling Lothian Board Statement set out on page 7, the Couple Counselling Lothian Board (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS
AND MEMBERS OF COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)**



Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Couple Counselling Lothian Board for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Couple Counselling Lothian Board and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Malcolm Beveridge

**Malcolm Beveridge BA CA (Senior Statutory Auditor)
For and on behalf of
CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh, EH3 6NL**

7 NOVEMBER 2016

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)

STATEMENT of FINANCIAL ACTIVITIES

For the year ended 31 March 2016

	Notes	Unrestricted Funds Designated Reserves £	General Reserve £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Income from:						
Donations	3	-	199,354	-	199,354	192,258
Charitable activities	4	-	66,463	78,889	145,352	119,744
Investments		-	83	-	83	75
Total income		-	265,900	78,889	344,789	312,077
Expenditure on:						
Charitable activities	5	29,563	219,316	95,618	344,497	292,388
Total expenditure		29,563	219,316	95,618	344,497	292,388
Net (expenditure)/income and net movement in funds before transfers		(29,563)	46,584	(16,729)	292	19,689
Transfers between funds		10,756	(20,803)	10,047		
Net expenditure and net movement in funds for the year		(18,807)	25,781	(6,682)	292	19,689
Reconciliation of funds						
Total funds brought forward		466,192	74,995	6,682	547,869	528,180
Total funds carried forward	13	447,385	100,776	-	548,161	547,869

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 14 to 22 form part of these financial statements.

COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)

BALANCE SHEET

For the year ended 31 March 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	9	355,761	352,752
Current assets			
Debtors	10	28,041	24,384
Cash at bank and in hand		196,172	187,173
		224,213	211,557
Creditors: amounts falling due within one year	11	(31,813)	(16,440)
Net current assets		192,400	195,117
Net assets		548,161	547,869
Funds	13		
Unrestricted funds			
General funds		100,776	74,995
Designated funds			
Capital reserve		355,761	352,752
Specialist therapies		35,000	35,000
Building improvement/infrastructure		40,184	65,000
Training reserve		15,000	12,000
Research budget		1,440	1,440
		548,161	541,187
Restricted funds			6,682
		548,161	547,869

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and were authorised for issue by the Couple Counselling Lothian Board on 28th October 2016 and signed on its behalf by:


James Lyall

Chair

Company No: SC110621

The notes on pages 14 to 22 form part of these financial statements.

COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)

STATEMENT OF CASHFLOWS

For the year ended 31 March 2016

	Notes	2016 £	2015 £
Net cash from operating activities	16	<u>14,027</u>	<u>1,121</u>
Cash flows from investing activities			
Investment income		83	75
Purchase of fixed assets		<u>(5,111)</u>	<u>(1,028)</u>
Cash used in investing activities		<u>(5,028)</u>	<u>(953)</u>
Increase in cash and cash equivalents		8,999	168
Cash and cash equivalents at the beginning of the year		187,173	187,005
Cash and cash equivalents at the end of the year		<u>196,172</u>	<u>187,173</u>

The notes on pages 14 to 22 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 2016

1. Company information

Couple Counselling Lothian is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC110621. The registered office is 9a Dundas Street, Edinburgh, EH3 6QG. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the company.

2. Accounting policies

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

Accounting convention

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 (FRS 102) (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.

Couple Counselling Lothian 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).

Transition from and Reconciliation with previous Generally Accepted Accounting Practice

The date of transition is 1 April 2014, with the financial statements for the year ended 31 March 2015 being the last prepared under the old UK GAAP.

The transition to FRS102 has not resulted in any significant changes to accounting policies and has not resulted in any changes to the comparative figures from the prior year financial statements.

In carrying out the transition to FRS102, the company has not applied any of the optional exemptions as permitted by Section 35 "Transition to this FRS".

Going concern

The financial statements have been prepared on a going concern basis. The CCL Board have assessed the charitable company's ability to continue as a going concern and have reasonable expectations that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity. Unrestricted funds include designated funds, the purposes of which are explained in Note 13.

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

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2016

2. Accounting policies (Contd.)

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 financial statements.
- 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.

Resources expended

Expenditure is recognised on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

- 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.
- 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.
- Within support costs are governance costs, which 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.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for carrying amounts of tangible assets.

Fixed assets

All tangible fixed assets having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight line basis to write off the cost as initial value, less residual value, of tangible fixed assets over their estimated useful lives as follows:

Office equipment	– 3 years
Office furniture	– 3 years

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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2016

2. Accounting policies (Contd.)

The heritable property was revalued by J & E Shepherd on 16 July 2013. No depreciation is charged on the property. The property is maintained in a good state of repair and the CCL Board are of the opinion that the estimated realisable value of the property is not materially different to the valuation and therefore any depreciation would be immaterial on an aggregate basis.

Taxation

Couple Counselling Lothian's charitable activities fall within the exemptions afforded by part 11 of the Corporation Tax Act 2010. Accordingly, there is no Corporation Tax charge in these financial statements.

Pension costs

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

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

VAT

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

COUPLE COUNSELLING LOTHIAN
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2016

3. Donations	Unrestricted	Restricted	2016	2015
	£	£	Total	Total
			£	£
The Binks Trust	1,000	-	1,000	1,000
Dedridge Medical Centre	95	-	95	880
Stirling University	901	-	901	1,537
Relate	1,618	-	1,618	-
Nancy Massie Trust	1,000	-	1,000	-
Cruden Foundation	1,000	-	1,000	-
Other donations from individuals	193,740	-	193,740	188,841
	199,354	-	199,354	192,258
	=====	=====	=====	=====

4. Income from Charitable activities

	Unrestricted	Restricted	2016	2015
	£	£	Total	Total
			£	£
Grants				
City of Edinburgh Council	16,462	-	16,462	17,024
West Lothian Council	11,269	-	11,269	11,157
East Lothian Council	-	10,000	10,000	10,000
Midlothian Council	-	-	-	3,600
Violence Against Women	-	10,000	10,000	39,400
Relationships Scotland	31,294	-	31,294	31,748
Children and Families	-	5,122	5,122	-
Morrison's	5,900	-	5,900	-
Family Therapy Training Network	-	34,767	34,767	-
Henry Duncan Awards	-	4,000	4,000	-
The Volant Trust	-	15,000	15,000	5,000
Other				
Room hire	1,538	-	1,538	1,815
	66,463	78,889	145,352	119,744
	=====	=====	=====	=====

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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2016

5. Resources expended	Charitable activities	Governance costs	Total 2016	Total 2015
	£	£	£	£
Other operating charges				
Audit fee	-	2,105	2,105	2,028
Administration costs	55,851	1,318	57,169	40,112
Repairs and maintenance	7,819	-	7,819	20,987
Professional fees	12,347	-	12,347	8,995
	76,017	3,423	79,440	72,122
Staff costs				
Salaried employees	151,503	-	151,503	121,552
Sessional counsellors*	113,554	-	113,554	98,714
	341,074	3,423	344,497	292,388
	=====	=====	=====	=====

*Sessional counsellors' costs include supervision fees of £9,098 (2015: £7,675).

6. Staff costs and numbers

	2016	2015
	£	£
Staff costs were as follows:		
Wages and salaries	145,587	111,273
Social security costs	2,223	7,851
Pension costs	3,693	2,428
	151,503	121,552
	=====	=====

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:

	2016	2015
Charitable activity	1.6	1.6
Support staff	2.8	2.8
	=====	=====

The charity contributes to the SCVO Money Purchase Pension Fund for Senior Staff members. Contributions outstanding at the year-end amounted to £316 (2015: £139).

The key management personnel of the charitable company comprise the Trustees, the Chief Executive, the Practice Manager, Lead of Family Therapy and the Client Relationship Manager. The total employee benefits of the key management personnel of the charitable company during the year were £108,106 (2015: £89,123).

7. Management Committee remuneration and related party transactions

No members of the management committee received any remuneration or reimbursement of expenses during the year.

No members of the management committee or other person related to the charity had any personal interest in any contract or transactions entered into by the charity during the year (2015: Nil).

COUPLE COUNSELLING LOTHIAN
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2016

8. Taxation

As a charity, Couple Counselling Lothian is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 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. Fixed Assets

Cost or valuation

At 1 April 2015

Additions

At 31 March 2016

Depreciation

At 1 April 2015

Charge for year

At 31 March 2016

Net Book Value

At 31 March 2016

At 31 March 2015

Heritable Property £	Office Furniture £	Office Equipment £	Total £
350,000	840	8,232	359,072
-	150	4,961	5,111
350,000	990	13,193	364,183
-	180	6,140	6,320
-	295	1,807	2,102
-	475	7,947	8,422
350,000	515	5,246	355,761
350,000	660	2,092	352,752

The heritable property was revalued by J&E Shepherd on 16 July 2013 in accordance with the RICS Valuation Standards 2012 as amended. The valuation was on the basis of vacant possession. The CCL Board are of the opinion that this valuation is representative of the property's value as at the year end. No details of the original historic cost of the property to the charity are available.

10. Debtors

Other debtors and prepayments

2016

2015

£

£

28,041

24,384

2016

2015

£

£

4,733

2,445

21,020

13,995

6,060

31,813

16,440

Taxation and social security

Other creditors and accruals

Deferred income

COUPLE COUNSELLING LOTHIAN
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2016

12. Analysis of net assets between funds	General Fund	Designated Reserves	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	355,761	-	355,761
Current assets	132,589	91,624	-	224,213
Current liabilities	(31,813)	-	-	(31,813)
Net assets at 31 March 2016	100,776	447,385	-	548,161

13. Movement in funds	At 1 April 2015	Incoming resources (inc gains)	Outgoing resources	Transfers	At 31 March 2016
	£	£	£	£	£
Restricted funds					
Violence Against Women	6,682	10,000	(21,949)	5,267	-
Safer East Lothian	-	10,000	(13,462)	3,462	-
Children and Families	-	5,122	(5,122)	-	-
Family Therapy Training Network	-	34,767	(34,879)	112	-
Henry Duncan Awards	-	4,000	(5,206)	1,206	-
Counselling for Children	-	15,000	(15,000)	-	-
Total restricted funds	6,682	78,889	(95,618)	10,047	-
Unrestricted funds					
General fund	74,995	265,900	(219,316)	(20,803)	100,776
Designated funds					
Capital reserve	352,752	-	(2,102)	5,111	355,761
Specialist therapies	35,000	-	-	-	35,000
Building improvement/infrastructure	65,000	-	(24,816)	-	40,184
Training reserve	12,000	-	(2,645)	5,645	15,000
Research budget	1,440	-	-	-	1,440
Total unrestricted funds	541,187	265,900	(248,879)	(10,047)	548,161
Total funds	547,869	344,789	(344,497)	-	548,161

Transfers

Transfers totalling £10,047 were made from the general fund to the Violence Against Women Fund, Safer East Lothian Fund, Family Therapy Training Network and Henry Duncan Awards to fund overspends in relation to the respective grants. A transfer was also made to the Capital reserve of £5,111 in respect of new assets purchased in the year. In addition, a transfer was made to the Training reserve of £5,645 to realign funds with budget.

COUPLE COUNSELLING LOTHIAN
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2016

13. Movement in funds (Contd.)

Purpose of Restricted Funds

Violence Against Women - for Restorative Practice intervention.

Safer East Lothian - for Restorative Practice intervention.

Children and Families – to support children and families struggling with relationship issues

Family Therapy Training Network – to deliver a systemic Family Therapy pilot

Henry Duncan Awards to deliver our work in schools for young people.

Counselling for Children - to provide a counselling service for children where they are affected by relationship issues (funded by The Volant Trust).

Purpose of Designated Funds

Capital reserve - funds have been designated which represent the total fixed assets of the charity.
Depreciation is charged to this fund on an annual basis.

Specialist therapies - funds set aside for training and development of specialist therapies

Building improvements/infrastructure - essential building maintenance and the installation of central heating.

Training reserve - support and training for further placements and trainees.

Research budget - funds set aside for research into restorative practice.

14. Non-audit services

In common with many other companies of our size we use our auditors to assist with the preparation of the financial statements.

15. Commitments under operating leases

At 31 March 2016, the charity had annual total commitments under non-cancellable operating leases as set out below.

Operating leases which expire

Within 1 year

Within 2 to 5 years

2016 2015

£ £

2,016

4,032

2,016

6,048

COUPLE COUNSELLING LOTHIAN
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2016

16. Reconciliation of net movement in funds to net cash flow from operating activities

	2016	2015
	£	£
Net movement in funds	292	19,689
Add back depreciation charge	2,102	2,784
Deduct interest income	(83)	(75)
Increase in debtors	(3,657)	(19,806)
Increase/(decrease) in creditors	15,373	(1,471)
Net cash from operating activities	14,027	1,121

17. Prior year Statement of Financial Activities

	Unrestricted Funds	Restricted Funds	Total Funds
	Designated Reserves	General Reserve	2015
	£	£	£
Income and endowments from:			
Donations and grants	-	192,258	192,258
Charitable activities	-	61,744	119,744
Investments	-	75	75
Total income	-	254,077	312,077
Expenditure on:			
Charitable activities	36,038	171,079	292,388
Total expenditure	36,038	171,079	292,388
Net (expenditure)/income and net movement in funds before transfers	(36,038)	82,998	19,689
Gross transfers between funds	81,094	(107,651)	26,557
Net income/(expenditure) and net movement in funds for the year	45,056	(24,653)	19,689
Total funds brought forward	421,136	99,648	528,180
Total funds carried forward	466,192	74,995	547,869