

Company number: 03258939
Charity number: 1058545

The United Kingdom Council for Psychotherapy

Annual report and financial statements
For the year ended 30 September 2018

Reference and Administrative Details

Company number 03258939 – incorporated in the United Kingdom

Charity number 1058545 – registered in England and Wales

Registered office and operational address

2nd Floor, America House
2 America Square
London
EC3N 2LU

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Trustees	Keith Carlton	
	Bob Cooke	
	Andy Cottom	UKCP Vice-chair
	Patricia Hunt	Resigned 31 December 2018
	Nasima Khanom	Co-opted on 6 November 2017; resigned 31 December 2018
	John Loughrey	Lay
	Jacqui McCouat	
	Martin Pollecoff	UKCP Chair
	Neil Robertson	UKCP Treasurer
	Suzy Walker	Lay
Emma Williams	Resigned 25 January 2018	
Juliet Rosenfeld	Appointed 1 January 2019	
Key Management Personnel	Sarah Niblock	Chief Executive
	Matt Nicholls	Head of Content & Engagement (from 21 August 2018)
Bankers	CAF Bank Ltd Kings Hill West Malling Kent ME19 4TA	
	Barclays Bank plc PO Box 2764 London NW3 6JD	

Solicitors Fieldfisher
35 Vine Street
London
EC3N 2AA

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

A message from our Chief Executive

It's been just over a year since I joined the UK Council for Psychotherapy as Chief Executive. There have been so many highlights and a few challenges these past 12 months. But I am hugely proud of what we have achieved together - thanks to the hard work, commitment and support of members, staff, Board of Trustees and our dedicated subject matter experts with whom we are proud to work closely on a daily basis.

Our new offices in America Square offer a far more professional environment. UKCP is extremely fortunate that we have a well-rounded coverage of governance, policy, complaints, advocacy and administration expertise to ensure we can deliver on our mission. Our regulatory services continue to underpin our work. We have robust and transparent complaints and standards setting processes, and a membership retention rate to be proud of. These foundations have allowed us to focus our attention externally, to share our vision of a world in which emotional and mental wellness is a human right.

Over the last year, we placed particular emphasis on our communications operation, both in terms of engaging better with our members and our training organisations, and in promoting the benefits of psychotherapy externally to key audiences. Our relaunched member magazine, *New Psychotherapist*, for instance, has been very well received, with a print run that extends to every MP and other influential stakeholders. In this report, you will also see a snapshot of the other positive media coverage we have attracted.

In our policy and advocacy work we collaborated with our sister organisations to achieve an unprecedented second consultation on NICE's draft adult depression guideline. But we have some way to go, and we will not stop fighting for access to effective, transformative and long-lasting high-quality psychotherapies for all.

Looking ahead, we will embark on an ambitious research strategy to harness and promote the efficacy of our therapies. We urgently need to corral evidence, whether already in existence or by forging collaborative networks, to inform and illustrate our policy work and our communications.

Our collaborations are hugely important to us and we will continue to develop our existing partnerships and make new ones in the year to come. As we have seen with NICE, our voice is much more potent when we are united on the key issues we all care about.

None of this would be possible without the tireless dedication and expertise of our Trustees, members and lay experts. It's because of them that I am looking forward to the future of our important and influential organisation with confidence.

Prof Sarah Niblock
UKCP Chief Executive

Trustees' Annual Report

The trustees present their report and the audited financial statements for the year ended 30 September 2018.

Reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

This report looks at what the charity has achieved and the outcomes of its work within the last 12 months. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees review the aims, objectives and activities of the charity each year.

Just before the start of the 2017-18 financial year, Professor Sarah Niblock became our Chief Executive. To achieve the strategic objectives, her priorities were to create one UKCP vision. We wanted to embolden our vision and purpose as 'one UKCP', uniting to create a world where everyone, regardless of background, can achieve their full human potential through access to the highest quality psychotherapies.

The Board revised the vision, purpose, mission and strategic objectives at its away-day meeting in April 2018. For more information on this see Plans for the Future on page 13.

Charitable objectives

Our charitable objectives provide a framework through which our strategic objectives can be achieved. They are:

- To promote the art and science of psychotherapy and psychotherapeutic counselling for the public benefit
- To promote research in psychotherapy and psychotherapeutic counselling and to disseminate the results of any such research
- To promote high standards of education, training and practice in psychotherapy and psychotherapeutic counselling
- To promote the wider provision of psychotherapy and psychotherapeutic counselling for all sections of the public.

Our vision

Improving lives by providing high quality psychotherapies.

Our mission

To achieve our vision we will:

- engage with the public to raise awareness of high quality psychotherapies, advocate their use and influence policy to improve access to services
- promote excellence by setting standards in ethics and training
- protect the public through robust regulation
- speak out against injustice
- represent the profession nationally and internationally.

Our strategic aims help us to meet our objectives. They permeate all our projects, informing the work we do and how we deliver our services.

Strategic Objectives

For 2017-18 our strategic objectives were:

Improving access to psychotherapy

- Raise the profile of UKCP and psychotherapy to influence the public, service users, media, policymakers, professions and partners and make us the 'go to' body for psychotherapy
- Profile raising activity will target diverse audiences to encourage them to join the profession, or feel more open to seeking psychotherapy

Engaging better

- Attract new, and retain existing, members by improving the membership 'offer' and promoting the benefit of membership
- Attract new members from minority groups across all ethnicities, genders, sexuality, ages and abilities

Maintaining standards of excellence

- Improve the way we govern ourselves and regulate our members by reviewing existing structures across the organisation
- Diversity issues to be addressed as a priority in any organisational review

Collaborating for success

- Broker new, and develop existing, collaborations with professional bodies, service users, the media and those in research and the private sector
- Develop relationships with those representing minority groups to help us achieve mutual diversity aims

Research

- To develop and deliver a research strategy to promote psychotherapy and psychotherapeutic counselling and inform our members' training and development for the benefit of all
- To undertake research to identify issues around diversity facing the profession and the mental health sector

Public benefit

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance in the delivery of public benefit

How we're improving access to psychotherapy

We are committed to raising the profile of UKCP and psychotherapy to influence the public, service users, media, policymakers, professions and partners and make us the 'go to' body for psychotherapy. As part of this work, we target diverse audiences to encourage them to join the profession or feel more open to seeking psychotherapy.

During 2017-18, we revamped our member magazine. While the focus of our magazine is our members, we wanted to make it more accessible to a wider audience and to send it to politicians and policymakers. As well as a new editorial policy, the magazine has a new look and a new title – the New Psychotherapist.

We also launched a new look for our website featuring an eye-catching animation and a new visual design for Find a Therapist.

NICE Guideline on Depression in Adults

A key part of our campaigning work was to respond to the National Institute for Health and Care Excellence's (NICE) consultation on its guideline for depression in adults. We had serious concerns that NICE's proposals were not fit for purpose and based on flawed methodology. We believed that their publication would have compromised the treatment options for the millions of adults in the UK with depression.

We campaigned, both alone and in collaboration with other organisations, to halt the guideline's publication. Over the summer, having responded to both the first and second consultation on the guideline, we made extensive lobbying efforts in parliament, securing the signatures of more than 30 MPs and peers for a cross-party letter to NICE.

On 3 October 2018, NICE announced that they were postponing the publication of the guideline until December 2019 in order to include further evidence and to consult stakeholders for a third time. This was an unprecedented step which demonstrated the impact of the coordinated opposition to the draft guideline carried out throughout 2017-18.

We will continue to push NICE to produce a final guideline that is fit for purpose – and offers people with depression genuine choice in how they are treated.

All-Party Parliamentary Group on Prescribed Drug Dependence

We continue to support the work of the All-Party Parliamentary Group on Prescribed Drug Dependence. The group is working to produce a guidance document for therapists working with users of prescribed drugs that will be launched in parliament next year.

The broader aims of the group are to raise awareness among policymakers of:

- the huge increase in the use of psychotropic medication in the UK
- the impact of long-term use and withdrawal from this medication
- the implications of these factors for mental health care more generally.

In October 2018, two pieces of research commissioned by the group around antidepressant withdrawal received widespread media attention, being covered by the BBC, Guardian, Independent, Times and Daily Mail.

UKCP in the media

During the year, we appointed a freelance PR specialist to raise our profile. This is enabling us to:

- develop journalist relationships and greater awareness of UKCP among the media
- maximise reactive opportunities across organisational activities - such as MP engagement and content resulting from our partnership with Psychologies magazine
- develop our Chief Executive's key thought leadership themes in the media across business, children and culture.

Media mentions this year have included:

- 9 October – the *Independent* published a story on our research showing that the rate of anxiety and depression among UK workers is up nearly a third in four years
- 10 October – *Construction News* published a column by Andy Cottom encouraging construction workers to seek support for mental health issues
- 19 October – Prof Sarah Niblock was interviewed by Louise Chung for Welldoing.org
- 20 October – our research on the rate of anxiety and depression among UK workers was quoted in an article by the British Safety Council and Health and Safety at Work
- 23 November – our research of NHS therapists jointly published with BACP and BPC was quoted by Labour MP Andrew Gwynne in a story in the *Huffington Post*
- 24 November – *Guardian* agony aunt Annalisa Barbieri quoted UKCP member Chris Mills in a problem column on family ties
- 11 February – a *Pink News* article on conversion therapy included a mention for UKCP
- 12 May – a *Mirror* article on stress included our research on the rate of anxiety and depression among UK workers
- 12 June – *Psychologies* magazine published a double page feature to accompany the Talking Therapies podcast on infidelity. The spread featured an article by Prof Sarah Niblock and Q&A column by UKCP member Lucy Beresford
- 20 June – the *BMJ* published an article about the opposition to the NICE guidelines on depression in adults which included UKCP
- 5 July – the *Times Higher Ed* published an opinion piece by Prof Sarah Niblock on why student mental health will only get worse

- 10 July – *Psychologies* magazine published a double page feature to accompany the Talking Therapies podcast on social media addiction. The spread featured an article by Prof Sarah Niblock and Q&A column by UKCP member Prof Aaron Balick
- 31 July – in *Healthista* Prof Sarah Niblock provided tips on how to spot and curb a social media addiction
- 3 August – the *Mental Health Today* blog included a mention for UKCP’s calls for ringfencing of the mental health budget
- 9 August – *Psychologies* magazine published a double page feature to accompany the Talking Therapies podcast on sex addiction. The spread featured an article by Prof Sarah Niblock and Q&A column by UKCP member Rodney Collins
- 31 August – *Psychologies* magazine published a double page feature to accompany the Talking Therapies podcast on workplace wellness. The spread featured an article by Prof Sarah Niblock and Q&A column by UKCP member Jared Green
- 2 September – In *Huffpost* Prof Sarah Niblock was quoted in an article on what Brexit is doing to our mental health
- 26 September – *Real Business* published an article by Prof Sarah Niblock on assessing whether your workplace is toxic
- 28 September – *Cosmopolitan* interviewed Prof Sarah Niblock on the psychological impact of thrillers.

Reaching new audiences

We created new digital content channels to help us raise awareness of psychotherapy and promote emotional and mental wellness to new audiences.

We launched an Instagram channel aiming to engage a younger audience. We also launched a monthly podcast series, Talking Therapies, as part of our partnership with *Psychologies* magazine. Each month, *Psychologies* included an article in the magazine by our Chief Executive on the same theme as that month’s podcast. Topics covered in the year were:

- June 2018: Can you heal from cheating? (1,612 listens on soundcloud)
- July 2018: Is social media ruining your life? (1,455 listens on soundcloud)
- August 2018: Is sex addiction a real thing? (1,286 listens on soundcloud)
- September 2018: How can you achieve workplace wellness? (1,613 listens on soundcloud)

Engaging better

We are committed to attracting new, and retaining existing, members by improving the membership ‘offer’ and promoting the benefit of membership. We aim to attract new members from minority groups across all ethnicities, genders, sexuality, ages and abilities.

We do this by involving members in our work and providing valued services.

During the year, we consulted members on a draft Code of Ethics. To support this work, we held two dedicated engagement workshops and made a presentation at a Members Forum event in Cardiff (see Events below). We produced two videos featuring the Chair of the Ethics Committee which have been

viewed just under 500 times. We also promoted the consultation on our social media channels and via our blog.

Trainee bursary scheme

We opened another trainee bursary scheme. We received 120 applications – considerably more than the 76 we received when we first ran the scheme in 2016-17. This time we made 36 awards of £555 each.

The scheme was announced on 17 November 2017 and the closing date for applications was 5 January 2018. Between these dates, we received 144 applications for trainee membership, of which 127 were accepted. While not all of these applications may have been as a result of the bursary scheme, we know that the scheme accounted for at least 60 new trainee memberships.

Events

The College of Child and Adolescent Psychotherapies and the Faculty for the Psychological Health of Children produced a conference, *Minding the gap in mental health – innovative approaches to current needs in child and adolescent mental health through applied psychotherapy*. The keynote speakers were Anne Longfield OBE, Children’s Commissioner for England, and Kathy Evans, Chief Executive of Children England. There were eight workshops which included a session with a parent and baby, a group of young people (18-26-year-olds) and a family group.

We held two Members’ Forum events – one on 10 March in London and one on 30 June in Cardiff. At the Cardiff event we offered members the opportunity to join the event online.

We held a Child Safeguarding workshop on 28 September. The number of attendees exceeded the number predicted by over 40 per cent. The delegates paid a nominal fee to attend which meant we could increase the number of attendees and remain under budget.

Volunteering

Most of our work is driven forward by our members and lay volunteers who give their time to support us in various roles such as serving on our Board of Trustees, colleges, faculties, committees or our Members’ Forum.

We celebrated the work of our subject matter experts and lay volunteers during Volunteer Awareness Week. We produced three videos, one thanking our volunteers and two featuring people who volunteer for us: UKCP member Rozmin Mukhi and lay volunteer, Norman Cooke.

Membership

We exceeded our membership retention target with just over 97% of full clinical members renewing. The most frequently cited reasons for not renewing membership were retirement and taking a career break or sabbatical.

For 2017-18, we set a recruitment target for new full clinical members of 600. We achieved a total of 540.

In July 2018, we welcomed a new organisational member: the Northern Ireland Institute for Human Relations.

Maintaining standards of excellence

We are committed to improving the way we govern ourselves and regulate our members by reviewing existing structures across the organisation. Any organisational review will address diversity issues as a priority.

Professional Standards Authority accreditation

Once again, the Professional Standards Authority renewed our accreditation from November 2017 without any conditions, instructions or learning points.

Regulation

The Regulation and Quality Assurance team continue to conduct the annual audit of individual clinical members and quality reviews of our organisational members. These processes ensure the robustness of our register. The team audited 217 registrants in 2018 and conducted 13 reviews of organisational members.

GDPR

In May 2018, the General Data Protection Regulation (GDPR) came into effect, bringing greater accountability for those who handle personal data.

To prepare for the introduction of GDPR, we revised and updated our policies on data protection, subject access requests, data retention and our privacy notice.

We set up a GDPR page on our website and a dedicated email address for data protection enquiries and requests.

Complaints

During 2017-18, we received over 60 formal complaints against our members, with 4 of these being accepted. Two interim suspension order hearings were heard during the year. In 2017 we received 31 formal complaints of which 5 were accepted.

We continue to seek ways to improve our complaints process. We updated our indicative sanctions guidance for Adjudication Panels to refer to when determining a sanction against a member who has been subject to an Interim Suspension Order.

We held our third learning from complaints event in London in October 2017, attended by around 90 members. We also recorded the event for the first time and it received over 250 views.

Enhancing Governance and Engagement to Build Trust

The Chief Executive led the Enhancing Governance and Engagement to Build Trust programme. This is a project looking at areas of the organisation's structure not dealt with by the previous review of our constitution and governance that concluded in 2015 (the Shape review).

The new programme aims to optimise the structure and composition of our colleges and faculties to improve links throughout the organisation. Five working groups were established and these generated proposals which were reported to the Board in September 2018. The next step will be to review the proposals and consult stakeholders. Proposals include the alignment of processes for payments to volunteers, panel members and assessors.

Budgeting and activity planning

During the year, we introduced a new budget and activity planning process for 2018-19. For the first time, budget holders were asked to plan not only for this year but for three years. They were asked to develop an activity planner relating their proposed workplan to the Board's strategic priorities.

Collaborating for success

We are committed to brokering new, and developing existing, collaborations, with professional bodies, service users, the media, and those in research and the private sector. We develop relationships with those representing minority groups to help us achieve mutual diversity aims.

Talking Therapies Task Force

UKCP sits alongside six other leading psychotherapy and counselling organisations as part of the Talking Therapies Task Force. The Task Force aims to expand and develop psychological therapy treatments for patients whose mental health needs are not being met by existing services, while identifying large savings to the public purse through more cost-effective interventions.

We recognise, following the development of the Improving Access to Psychological Therapies (IAPT) programme, that crucial to the development of new treatment programmes for those with complex mental health needs will be:

- A health economic case
- A national data collection system
- A workforce development plan
- An associated training programme

Work on creating the necessary research base to support these elements is underway. The health economic analysis that has been commissioned is due for completion by the end of the year.

The Collaboration of Counselling and Psychotherapy Professions

We continue to collaborate with the British Association for Counselling and Psychotherapy (BACP) and the British Psychoanalytic Council (BPC) as part of the Collaboration of Counselling and Psychotherapy Professions.

This collaboration has included:

- continuing to work collaboratively in relation to complaints and information sharing
- responding to the government's green paper, *Transforming children and young people's mental health provision*, raising our concerns about its ambition and ability to deliver support to those who need it

- o working to systematically map the existing professional competencies, standards, training and practice requirements for the counselling and psychotherapy professions as part of the Scope of Practice and Education for the counselling and psychotherapy professions (SCoPEd) project.

Psychologies magazine

We continued our partnership with Psychologies, the national monthly consumer magazine with a focus on wellbeing. The magazine is widely available in supermarkets, newsagents and further afield and our aim is to use this partnership to raise the profile of high-quality psychotherapies and our members who provide them.

The partnership gives UKCP prominent promotion on the Psychologies website and a full-page article in each magazine. Through this partnership, members are able to subscribe to the UKCP channel on LifeLabs, Psychologies' blogging platform. LifeLabs gives members the opportunity to reach a potential audience of 1.9million people with promotion on the Psychologies Facebook and Twitter profiles.

The partnership has also resulted in a series of podcasts as previously mentioned.

The European Association for Psychotherapy

We were reaccredited as the national awarding organisation for the European Association for Psychotherapy (EAP). We supported the EAP's work to establish the profession of psychotherapy within the European Union.

Research

We are committed to developing and delivering a research strategy to promote psychotherapy and psychotherapeutic counselling and inform our members' training and development for the benefit of all. We aim to undertake research to identify issues around diversity facing the profession and the mental health sector.

Funding research

In 2017, the Research Faculty Committee offered seven awards in support of member research. The aim was to support a diverse range of projects and members. Five of the seven projects have been completed, with one project not pursued. Summaries of the projects have been published on the UKCP website.

The Practice Research Network

The Practice Research Network has been developing clinics for discussion of new projects, with additional Skype meetings for those who cannot attend in person. Following the conclusion of its Moments of Meeting project, a report was submitted to Research Faculty Committee and is being drafted for future publication.

Plans for the future

Our objectives for the coming year

The Board of Trustees review the aims, objectives and activities of the charity each year. At its away-day meeting in April 2018, the Board decided that, going forward, they will be as follows:

Our vision

We want a world in which emotional and mental wellness is a human right.

Our purpose

To transform lives by unlocking potential.

Our mission

Alongside professional support for our members we are the leading research, innovation, educational and regulatory body working to advance psychotherapies for the benefit of all.

Strategic Objectives

- Improve access to our therapies to transform lives
- Explain the benefits of psychotherapy to decision makers and the public
- Promote the benefits of a plurality of psychotherapies
- Engage with our members and the public to advance awareness
- Maintain standards of excellence for credibility
- Ensure inclusiveness in our students and membership
- Collaborate better internally and externally to create impact
- Embed practice-led research evidence for quality and innovation.

Three-year Business planning

By December 2018, we will have our first forward-looking UKCP business plan, mapping out how we will achieve the strategic objectives in 2018-19 as well as in 2019-20 and 2020-21. This plan will use the strategic objectives as pillars of activity and will be inclusive of the activity plans of our constituent parts, including our colleges and faculties.

Enhancing Governance and Engagement to Build Trust programme ('College Review')

In 2018-19 we will realise the changes to our articles and byelaws that were recommended as outcomes of the review. This includes revisions to our college and faculty structure and enhancements to our governance processes. Enhancements that do not require revisions to articles and byelaws include streamlining our appointments and payments across our whole organisation, improving member engagement and consultation, and embedding shared values and behaviours.

Member engagement and new categories of membership

We will promote our membership benefits more vigorously as well as identifying and implementing new ways to support our members' professional lives and continuous development. We are exploring digital and traditional ways to build connectedness and engagement. We will create new categories of membership so as to reduce barriers to entry, including a retiring members category at one end of the career spectrum and a proposed foundation level entry to training in child psychotherapy at the other.

Integrated research, policy and communication strategy

Following the expansion of our Research Faculty Committee, we will embark on our integration of our research strategy with our policy impact goals so as to communicate better the benefits of evidence-based psychotherapeutic practice to the public, practitioners, policymakers, potential collaborators and other stakeholders.

Alongside these ambitious plans, and our first-class work as the premier national regulator of psychotherapists and psychotherapeutic counsellors, we will continue to campaign for more funding for, and improved access to, psychological therapies. And we will work collaboratively with partner organisations to improve the effectiveness of our campaigns and raise the profile of the profession.

Financial reports

Financial review

The attached Statement of Financial Activities and Balance Sheet provide the results of the Charity's operations for the twelve months from 1 October 2017 to 30 September 2018.

Income for the year to September 2018 was £2,223k, up marginally (3.7%) on 2017. Total expenditure was £2,104k compared to £2,136k in 2017. The move to new premises in 2017 has meant an annual increase in rent, service charge and rates of £73k and an increase in depreciation of £37k. Expenditure on improving our digital presence has increased by £20k while other expenses were managed within budget.

The majority of the charity's income is from membership fees (£2,197k in 2018 and £2,080k in 2017). The trustees recognise that the charity's reliance on this sole source of income makes the charity vulnerable to unforeseen fluctuations in membership. The trustees take this factor into account in setting levels of reserves to be held and also in putting appropriate strategic priority to maintaining and growing membership.

The Complaints and Conduct Process was reclassified as a Designated Fund on 1 October 2014 and is reflecting a surplus of income over expenditure at the end of this year. Fewer cases were heard in this year than last, with some having been planned for early in 2019. The surplus has been taken into account in the price setting model and will continue to be monitored.

In an organisation so heavily dependent on voluntary effort, any analysis of expenditure by activity gives a distorted picture of the charity's costs. The charity continues to employ a small staff but most of our programmes depend on very hard working volunteers. The many hours of work on The United Kingdom Council for Psychotherapy committees, standards, registration, regulation and quality assurance are not reflected in the columns of figures in the financial statements. The Board of Trustees takes this opportunity to thank all those who have given time to UKCP for the advancement of psychotherapy and psychotherapeutic counselling.

Some volunteers are paid a token amount in recognition of the time they spend on UKCP business including but not limited to carrying out assessments and reviewing or writing documents and procedures. These amounts are in no way meant to reimburse them at market rates.

All trustees give their time voluntarily, with the exception of the Chair as explained in note 8, and any expenses reclaimed from the charity are set out in note 7 to the accounts.

Our balance sheet continues to reflect our stability with cash reserves in excess of our target. Current liabilities include deferred income of £118k, reflecting membership income received in advance of the 2018/19 year while trade creditors and accruals have substantially decreased.

Investment policy and performance

The trustees' investment policy was put in place to ensure that UKCP's cash is invested in the most effective and secure manner.

The policy states that the objectives of investments are:

- To produce the best financial return within an acceptable level of risk
- To produce a total return in excess of inflation for medium term investments
- To preserve the capital value with a minimum level of risk for short term investments

The policy also details the trustees' position on risk, ethical investments and liquidity.

The Finance and Audit Committee has decided to invest reserves in the F&C CAF Socially Responsible Portfolio. The investments paid out dividends of £5k during the year, a yield of 2.5%. The investments have risen in value by 32% since their purchase in February 2016.

Reserves policy and going concern

The trustees have a reserves policy which requires that reserves be maintained at a level which ensures that the Charity's core activities could continue during a period of unforeseen difficulty.

The Complaints and Conduct Process has a separate reserves policy. A proportion of these reserves must be maintained in a readily realisable form.

The Charity's income and expenditure are both highly predictable in timing and amounts. Reserves are calculated by reference to the risks the Charity faces and the costs of aligning expenses with income if required, or to meet the risks of unplanned costs.

The trustees set reserves targets at the beginning of the financial year and monitor the actual results at each Board meeting. The current reserves target for the general fund is £325k. The target ensures funds are available to cover any outstanding rent and operational costs as well as ensuring staff are adequately remunerated.

The target for the Complaints and Conduct Process fund is £55k. This has been reduced and is set taking account of potential litigation or risk and insurances held against these. Expenditure, other than operational costs, is dependent on the number of cases accepted and this varies from year to year. The budget setting process takes the number of cases accepted but not heard into account so reserves at the end of a financial year may be higher than the target to make allowance for expected future legal costs.

Funds held at 30 September 2018 are in excess of these targets. The budget for 2018-2019, which has been approved by the trustees, is intended to bring reserves down towards target and future investments in the various initiatives outlined in the Chair and Chief Executive's reports together with monitoring of future fee levels will be used to manage the level of reserves to be at or near target in the medium term.

Related parties and relationships with other organisations

The Charity is a membership organisation and has, in the ordinary course of its activities, transactions with its members individually and with groups of members in the Faculties and Colleges. Faculties and Colleges are not separate legal entities and facilitate engagement and involvement with members.

Remuneration policy

The Charity sets the pay of its staff and key management personnel using industry benchmarks, performance reviews and appraisals. UKCP has a Remuneration and Performance Management Committee which is responsible for re-evaluating decisions to remunerate trustees, committee chairs and college personnel on an annual basis and reports their findings to the UKCP Board of Trustees. The Board approves any annual increases and any changes to the Chief Executive's salary.

Fundraising

The United Kingdom Council for Psychotherapy does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Charity nevertheless observes the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and the Charity received no complaints relating to its fundraising practice.

Structure, governance and management

Constitution

The organisation is a charitable company limited by guarantee, incorporated on 30 September 1996 and registered as a charity on 8 October 1996.

The company was established under a memorandum of association which established the objects (see page 4) and powers of the charitable company and is governed under its articles of association.

Organisational structure and decision making

The Board of Trustees, which is responsible to UKCP members and the Charity Commission, oversees the fulfilment of our charitable objectives. A number of committees report to the Board or to the Executive Committee, which oversees ongoing work.

On appointment, each trustee is asked to declare any conflicts interest. They are also asked to declare any interests annually which ensures the UKCP Register of Interests is accurate and up-to-date.

We give our new trustees an induction pack outlining the roles and responsibilities of being a trustee as well as the Charity Commission's 'Charity trustee: what's involved' (CC3a) and 'The essential trustee: what you need to know' (CC3). We also aim to meet any training needs for new trustees that will help them carry out their role.

Risk management

Our Board reviews the risks facing UKCP on an annual basis via a Risk Register. The register covers strategic, operational, financial, human resources, technological and reputational risks. The risks we have identified are prioritised in terms of potential impact and likelihood of occurrence and the trustees confirm that systems or procedures are in place to mitigate significant risks. Three of the main risks that the trustees have identified and the strategies for mitigating these are:

- Legal challenges on complaints and conduct cases :- robust procedures are followed for each case, overseen and reviewed by suitable parties. Suitable insurance is in place.
- Statutory regulation being introduced, potentially meaning that therapists no longer need UKCP registration, or any other economic, political or regulatory change resulting a substantial reduction in member numbers :- we continue to engage with Government and other interested professional bodies.
- Brand damage or other deterioration in the perception of our premium status resulting from actions (fraudulent or otherwise) by UKCP members, employees or outsourced staff may result in losses to the Charity in financial or reputational terms :- robust procedures followed by all staff, contractors and the external finance team ensure these risks are low.

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are 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. They are 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 trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The trustees 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 that information

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

The Trustees' Annual Report has been approved by the trustees on 22 February 2019 and signed on their behalf by

M Pollecoff
Chair

Independent auditor's report to the members of The United Kingdom Council for Psychotherapy

Opinion

We have audited the financial statements of The United Kingdom Council for Psychotherapy (the 'charitable company') for the year ended 30 September 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 30 September 2018 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, 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 trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

13 March 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The United Kingdom Council for Psychotherapy

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 30 September 2018

	Note	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Income from:					
Charitable activities	3				
Registration fees and subscriptions		2,197,152	–	2,197,152	2,080,483
Other trading activities	4	20,232	–	20,232	58,307
Investments	5	5,994	–	5,994	5,611
Total income		2,223,378	–	2,223,378	2,144,401
Expenditure on:					
Charitable activities					
Improving access		237,407	–	237,407	289,791
Culture and well run organisation		476,943	9,958	486,901	495,694
Maintaining professional excellence		901,380	–	901,380	960,269
Engaging membership		465,410	–	465,410	377,571
Recognition		13,428	–	13,428	12,866
Total expenditure	6	2,094,568	9,958	2,104,526	2,136,191
Net income / (expenditure) before net gains / (losses) on investments		128,810	(9,958)	118,852	8,210
Net gains on investments		18,727	–	18,727	22,464
Net income / (expenditure) for the year	7	147,537	(9,958)	137,579	30,674
Net movement in funds	19	147,537	(9,958)	137,579	30,674
Reconciliation of funds					
Total funds brought forward		810,397	9,958	820,355	789,681
Total funds carried forward		957,934	–	957,934	820,355

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19 to the financial statements.

The United Kingdom Council for Psychotherapy

Balance sheet

Company no. 03258939

For the year ended 30 September 2018

	Note	£	2018 £	2017 £
Fixed assets				
Tangible fixed assets	12		240,839	276,946
Investments	13		264,541	245,814
			<u>505,380</u>	<u>522,760</u>
Current assets				
Debtors	14	120,515		67,253
Cash at bank and in hand		733,293		704,507
		<u>853,808</u>		<u>771,760</u>
Liabilities				
Creditors: amounts falling due within one year	15	(401,254)		(474,165)
			<u>452,554</u>	<u>297,595</u>
Net current assets			<u>452,554</u>	<u>297,595</u>
Net assets	18		<u>957,934</u>	<u>820,355</u>
The funds of the charity				
Restricted funds	19		-	9,958
Unrestricted funds				
Designated funds			357,848	240,709
General funds			600,086	569,688
Total charity funds			<u>957,934</u>	<u>820,355</u>

Approved by the trustees on 22 February 2019 and signed on their behalf by:

Martin Pollecoff
Chair

Neil Robertson
Treasurer

The United Kingdom Council for Psychotherapy

Statement of cash flows

For the year ended 30 September 2018

	Note	2018		2017	
		£	£	£	£
Cash flows from operating activities	20				
Net cash provided by operating activities			32,351		185,488
Cash flows from investing activities:					
Dividends, interest and rents from investments		5,994		5,611	
Purchase of fixed assets		(9,559)		(274,195)	
Net cash (used in) investing activities			(3,565)		(268,584)
Change in cash and cash equivalents in the year			28,786		(83,096)
Cash and cash equivalents at the beginning of the year			704,507		787,603
Cash and cash equivalents at the end of the year	21		733,293		704,507

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

1 Accounting policies

a) Statutory information

The United Kingdom Council for Psychotherapy is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is America House, 2 America Square, London, EC3N 2LU.

b) Basis of preparation

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) (September 2015) and the Companies Act 2006.

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

The income and expenditure of colleges and faculties is included within the charity's financial statements, as required by paragraph 25.9 of the SORP. Part of the charity's general funds are held in bank accounts controlled by colleges and faculties. At the end of the year the extent of such funds was £5,994 (2017: £8,374).

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from registration fees and subscriptions is recognised evenly over the registration year.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

1 Accounting policies (continued)

g) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services, training and other membership activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

	2018	2017
● Improving access	10.67%	12.98%
● Culture and well run organisation	21.88%	22.20%
● Maintaining professional excellence	40.51%	43.01%
● Engaging Membership	20.92%	16.91%
● Recognition	0.60%	0.58%
● Governance costs	5.42%	4.32%

Governance costs are the costs associated with the governance arrangements of the charity.

These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. These are apportioned over each area of activity in proportion of the total costs of that activity.

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

1 Accounting policies (continued)

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Short term leasehold property	10 years straight line
Furniture and fittings	25% pa reducing balance
Furniture and fittings held under finance leases	Term of the lease
Office equipment	25% pa reducing balance
Computer equipment	20 – 25% pa straight line

k) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Debtors

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

m) 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.

n) Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

With the exception of the listed investments described above, the charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

p) Pensions

The charity contributes to personal pension plans of its employees. The pension charge represents the amounts payable by the charity to such plans in the financial year.

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

2 Detailed comparatives for the statement of financial activities

	Unrestricted £	Restricted £	2017 Total £
Income from:			
Charitable activities			
Registration fees and subscriptions	2,080,483	–	2,080,483
Other trading activities	58,307	–	58,307
Investments	5,611	–	5,611
Total income	2,144,401	–	2,144,401
Expenditure on:			
Charitable activities:			
Improving access	289,791	–	289,791
Culture and well run organisation	495,694	–	495,694
Maintaining professional excellence	960,269	–	960,269
Engaging membership	377,571	–	377,571
Recognition	12,866	–	12,866
Total expenditure	2,136,191	–	2,136,191
Net income before gains on investments	8,210	–	8,210
Net gains on investments	22,464	–	22,464
Net income for the year	30,674	–	30,674
Net movement in funds	30,674	–	30,674
Total funds brought forward	779,723	9,958	789,681
Total funds carried forward	810,397	9,958	820,355

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

3 Income from charitable activities

	Unrestricted 2018 Total £	Unrestricted 2017 Total £
Registration fees and subscriptions	2,197,152	2,080,483
Total income from charitable activities	<u>2,197,152</u>	<u>2,080,483</u>

4 Income from other trading activities

	Unrestricted 2018 Total £	Unrestricted 2017 Total £
Advertising Income	10,502	22,760
Conferences and events	9,136	34,606
Publication sales	594	941
	<u>20,232</u>	<u>58,307</u>

5 Income from investments

	Unrestricted 2018 Total £	Unrestricted 2017 Total £
Interest income	699	639
Investment income	5,295	4,972
	<u>5,994</u>	<u>5,611</u>

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

6a Analysis of expenditure (current year)

	Charitable activities						2018 Total £	2017 Total £
	Improving Access £	Culture and well run organisation £	Maintaining professional excellence £	Engaging membership £	Recognition £	Governance costs £		
Operational staff costs	91,569	221,538	228,923	194,953	-	60,554	797,537	807,763
Premises and other operational costs	49,392	119,497	123,481	105,158	-	32,663	430,191	228,059
Committees and Board of Trustees	5,559	27,796	13,898	5,559	-	2,780	55,592	44,751
Communications	54,427	9,071	9,071	96,154	12,700	-	181,423	175,866
Governance and membership administration	5,015	20,061	60,183	10,030	-	5,015	100,304	92,668
Colleges	5,999	17,997	59,991	23,996	-	11,998	119,981	118,966
Faculties	579	1,736	5,785	2,314	-	1,157	11,571	8,852
Complaints and Conduct process (incl' staff costs)	-	38,795	349,152	-	-	-	387,947	455,553
Development projects	11,988	3,996	1,998	1,998	-	-	19,980	77,917
Office refurbishment	-	-	-	-	-	-	-	125,796
	224,528	460,487	852,482	440,162	12,700	114,167	2,104,526	2,136,191
Governance costs	12,879	26,414	48,898	25,248	728	(114,167)	-	-
Total expenditure 2018	237,407	486,901	901,380	465,410	13,428	-	2,104,526	
Total expenditure 2017	289,791	495,694	960,269	377,571	12,866	-		2,136,191

The full cost of staff members working within the Complaints and Conduct Process is allocated to the CCP fund. In addition, the cost of supporting the CCP is calculated each year and transferred out of operational costs to the designated fund.

Of the total expenditure, £2,094,568 was unrestricted (2017: £2,136,191) and £9,958 was restricted (2017: £0).

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

6b Analysis of expenditure (prior year)

	Charitable activities						2017 Total £	2016 Total £
	Improving Access £	Culture and well run organisation £	Maintaining professional excellence £	Engaging membership £	Recognition £	Governance costs £		
Operational staff costs	126,550	219,442	232,905	172,323	-	56,543	807,763	766,601
Premises and other operational costs	35,729	61,956	65,757	48,653	-	15,964	228,059	242,594
Committees and Board of Trustees	4,475	22,375	11,188	4,475	-	2,238	44,751	67,528
Communications	52,760	8,793	8,793	93,209	12,311	-	175,866	102,845
Governance and membership administration	4,633	18,534	55,601	9,267	-	4,633	92,668	92,251
Colleges	5,948	17,845	59,483	23,793	-	11,897	118,966	97,871
Faculties	443	1,328	4,426	1,770	-	885	8,852	17,295
Complaints and Conduct process (incl' staff costs)	-	45,555	409,998	-	-	-	455,553	454,124
Development projects	46,750	15,583	7,792	7,792	-	-	77,917	229,087
Office refurbishment	-	62,898	62,898	-	-	-	125,796	-
	277,288	474,309	918,841	361,282	12,311	92,160	2,136,191	2,070,196
Governance costs	12,503	21,385	41,428	16,289	555	(92,160)	-	-
Total expenditure 2017	289,791	495,694	960,269	377,571	12,866	-	2,136,191	
Total expenditure 2016	333,220	444,572	921,009	363,849	7,546	-		2,070,196

Of the total expenditure, £2,136,191 was unrestricted (2016: £2,070,196) and £nil was restricted (2017: £nil).

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

7	Net income / (expenditure) for the year		
	This is stated after charging / (crediting):		
		2018	2017
		£	£
	Depreciation		
	owned by the charity	45,666	12,125
	held under finance leases	-	-
	Operating lease rentals:		
	property	146,792	95,044
	Auditor's remuneration (excluding VAT):		
	audit	7,600	7,350
	other services	660	-
	Loss on disposal of assets	-	4,278
	Trustees' remuneration (see note 8)	8,000	8,000
	Trustees' expenses	11,081	10,147
		11,081	10,147

Trustees' expenses represents the travel and subsistence costs for 11 (2017: 11) members relating to attendance at meetings of the trustees and other UKCP business.

8 **Trustees' remuneration**

During the year honoraria were paid to the following trustees and officers of the charity:

	2018	2017
	£	£
M Pollecoff	8,000	8,000
	8,000	8,000

Honoraria payments are permitted by the charity's Articles of Association.

9 **Analysis of staff costs and the cost of key management personnel**

Staff costs were as follows:

	2018	2017
	£	£
Salaries and wages	831,151	821,622
Social security costs	80,703	81,244
Employer pension contributions	40,807	34,283
Temporary staff costs	9,069	36,339
Redundancy and termination costs	7,588	12,521
	969,318	986,009

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension contributions) during the year between:

	2018	2017
	No.	No.
£60,000 – £69,999	1	-
£80,000 – £89,999	1	1
	1	1

9 Analysis of staff costs and the cost of key management personnel (continued)

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £203,043 (2017: £211,932).

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018 No.	2017 No.
Professional and other services	25	25
Administration	1	1
	26	26
	26	26

10 Related party transactions

During the year, honorarium payments were made to one trustee of the charity. This is disclosed in note 8 to these accounts.

Some members are paid a token amount for specific pieces of work undertaken on behalf of the Charity, although these amounts are in no way meant to reimburse them at market rates. Members and trustees receive reimbursement for travel expenditure whilst on charity business which are all part of the normal course of business. There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

During the year, an amount of £39,600 was paid to Kelsey Publishing Limited for advertising in Psychologies Magazine. Suzy Walker, a Trustee, is the editor of the magazine. The contract was awarded before Ms Walker was appointed a Trustee.

11 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

	Short term leasehold property £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost				
At the start of the year	181,980	126,371	106,857	415,208
Additions in year	–	–	9,559	9,559
Disposals in year	–	(27,087)	(50,470)	(77,557)
At the end of the year	181,980	99,284	65,946	347,210
Depreciation				
At the start of the year	1,518	43,290	93,454	138,262
Charge for the year	18,198	20,770	6,698	45,666
Disposals in year	–	(27,087)	(50,470)	(77,557)
At the end of the year	19,716	36,973	49,682	106,371
Net book value				
At the end of the year	162,264	62,311	16,264	240,839
At the start of the year	180,462	83,081	13,403	276,946

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2018

13 Listed investments

	2018 £	2017 £
Market value at the start of the year	245,814	223,350
Net gain / (loss) on revaluation	18,727	22,464
Market value at the end of the year	<u>264,541</u>	<u>245,814</u>

Investments comprise:

	2018 £	2017 £
UK Common investment funds	<u>264,541</u>	<u>245,814</u>

	2018 £	2017 £
Historical cost	<u>200,000</u>	<u>200,000</u>

14 Debtors

	2018 £	2017 £
Trade debtors	1,487	3,172
Other debtors	22,433	3,199
Prepayments	96,595	60,882
	<u>120,515</u>	<u>67,253</u>

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	103,751	183,865
Other taxation and social security	21,884	25,712
Other creditors	88,511	603
Accruals	69,390	194,394
Deferred income (note 16)	117,718	69,591
	<u>401,254</u>	<u>474,165</u>

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For the year ended 30 September 2018

16 Deferred income

Deferred income comprises membership income for 2018–2019. Last year also included 2017 conference income received in advance. There is no deferred conference income this year.

	2018 £	2017 £
Balance at the beginning of the year	69,591	113,930
Amount released to income in the year	(69,591)	(113,930)
Amount deferred in the year	117,718	69,591
Balance at the end of the year	<u>117,718</u>	<u>69,591</u>

17 Pension commitments

The charity makes contributions to employees' personal pension plans. The pension charge represents contributions payable by the charity to these plans and amounted to £40,146 (2017: £34,748). Contributions totalling £15,261 (2017: £14,741) were payable to such plans at the balance sheet date and are included in creditors.

18a Analysis of net assets between funds (current year)

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	–	–	240,839	240,839
Investments	–	–	264,541	264,541
Current assets	–	357,848	495,960	853,808
Creditors due within 1 year	–	–	(401,254)	(401,254)
Net assets at the end of the year	<u>–</u>	<u>357,848</u>	<u>600,086</u>	<u>957,934</u>

18b Analysis of net assets between funds (prior year)

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	–	–	276,946	276,946
Investments	–	–	245,814	245,814
Current assets	9,958	240,709	521,093	771,760
Creditors due within 1 year	–	–	(474,165)	(474,165)
Net assets at the end of the year	<u>9,958</u>	<u>240,709</u>	<u>569,688</u>	<u>820,355</u>

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For the year ended 30 September 2018

19a Movements in funds (current year)

	At 1 October 2017 £	Incoming resources £	Outgoing resources £	Gains on investments £	At 30 September 2018 £
Restricted funds:					
The Colleges Fund	9,958	–	(9,958)	–	–
Total restricted funds	9,958	–	(9,958)	–	–
Unrestricted funds:					
<i>Designated funds:</i>					
Complaints and Conduct Process	240,709	505,086	(387,947)	–	357,848
<i>Total designated funds</i>	<i>240,709</i>	<i>505,086</i>	<i>(387,947)</i>	<i>–</i>	357,848
General funds	569,688	1,718,292	(1,706,621)	18,727	600,086
Total unrestricted funds	810,397	2,223,378	(2,094,568)	18,727	957,934
Total funds	820,355	2,223,378	(2,104,526)	18,727	957,934

19b Movements in funds (prior year)

	At 30 September 2016 £	Incoming resources £	Outgoing resources £	Gains on investments £	At 30 September 2017 £
Restricted funds:					
The Colleges Fund	9,958	–	–	–	9,958
Total restricted funds	9,958	–	–	–	9,958
Unrestricted funds:					
<i>Designated funds:</i>					
Complaints and Conduct Process	216,769	479,494	(455,554)	–	240,709
<i>Total designated funds</i>	<i>216,769</i>	<i>479,494</i>	<i>(455,554)</i>	<i>–</i>	240,709
General funds	562,954	1,687,371	(1,680,637)	–	569,688
Total unrestricted funds	779,723	2,166,865	(2,136,191)	–	810,397
Total funds	789,681	2,166,865	(2,136,191)	–	820,355

Purposes of restricted funds

The Colleges Fund was collected from a registrant levy for the foundation of colleges.

Purposes of designated funds

The Complaints and Conduct Process designated fund is funded from membership subscriptions and the general fund. The fund is used to cover the costs of operating the Complaints and Conduct department and any related expenses.

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For the year ended 30 September 2018

20 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2018 £	2017 £
Net income for the reporting period (as per the statement of financial activities)	137,579	30,674
Depreciation charges	45,666	12,125
(Gains)/ losses on investments	(18,727)	(22,464)
Dividends, interest and rent from investments	(5,994)	(5,611)
Loss on the sale/disposal of fixed assets	-	4,278
(Increase)/ decrease in debtors	(53,262)	8,592
(Decrease)/ increase in creditors	(72,911)	157,894
Net cash provided by / (used in) operating activities	32,351	185,488

21 Analysis of cash and cash equivalents

	At start of the year £	Cash flows £	Other changes £	At the end of the year £
Cash at bank and in hand	704,507	28,786	-	733,293
Total cash and cash equivalents	704,507	28,786	-	733,293

22 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Land and buildings	
	2018 £	2017 £
Less than one year	181,091	144,873
Between one and five years	509,318	579,491
Due in more than five years	-	-
	690,409	724,364

23 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.