

The Counselling Foundation Annual Report and Accounts 2020

Registered office and principal office:

1 College Yard
Lower Dagnall Street
St Albans
AL3 4PA

A private company

limited by guarantee

Charity No. 1014988

Company No. 02713806

(England & Wales)

Trustees

Julian Gell, BSc (Chair)

Frances Bogie

Sue Murphy

Mandy Macqueen, BSc (Hons)

Wendy Molefi-Youri BM, MRCP, DRCOG, DFRH, MSt. MBCT

Executive Committee

Emma Branch – from November 2020

Stephen Anstee

Mark Graham – from June 2021

Mimie Hollist

Sonja Hutchinson – from June 2021

Tracy McPhillips

Jo Spilling – from April 2020

Advisors

Auditors Mercer & Hole
Chartered Accountants and Registered Auditors
72 London Road, St Albans, Hertfordshire,
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Bankers Barclays Bank plc
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CAF Bank Limited
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Glossary of selected terms

Term	Definition
Foundation or Company	The Counselling Foundation
Open-ended counselling	The general counselling service provided by the Foundation on an open-ended, i.e. continuing, basis
BACP	British Association for Counselling and Psychotherapy
IAPT	An NHS programme for “Improving Access to Psychological Therapies”

STATEMENT FROM THE CHAIR

In common with many other organisations during 2020 The Counselling Foundation faced the huge challenges of the unfolding COVID crisis. It is a huge testament to our team, their adaptability and creativity, and the resilience of our model that we were able to adapt rapidly and seamlessly to a new situation where all counselling and training was moved from face to face to an online mode.

Initially there was some fall off in counselling volumes and as we looked forward during the early months of 2020, we were faced with the threat that our counselling volumes and training recruitment could be at serious risk. I am pleased to say that as 2020 progressed the Foundation came through these challenges with an exceptional financial and operational result. During the year we successfully established new operating models which we believe will transform what we can offer clients and students. In many ways we and they have actually benefitted from the rethinking we have needed to do as we have adapted to this new world.

Besides these events, over the period of 2020 we saw a change in our leadership. Our CEO for the previous nine years, Robert Cuming, decided that this was the right time for him to move on. That decision on his part was taken in late 2019 and before the COVID situation hit. As it did so Robert committed to remain with us to see us safely through the first changes we needed to make and until we were in a position to find and appoint a successor with the skills needed to take over and start the task of building us into the post-COVID phase.

We were hugely lucky to have one of our trustees, Emma Branch, express her wish to take on this mission as Robert's successor. Given the situation it was ideal to have Emma step into this role with her background knowledge of The Foundation already in place. The transition in leadership between November 2020 into the New Year 2021 went seamlessly and Emma has powered ahead at pace engaging our team in building on Robert's achievements and our new future. Both have been supported by an exceptional team at every level.

Both Robert and Emma are the highest quality leaders we could possibly have hoped to have had over their respective tenures and I am immensely grateful to them both. A great deal has been learnt and achieved over this period and we have entered 2021 with a real confidence in our future. We have weathered the storm. We remain a key community asset. We are ready to move ahead on a solid and exciting base of new capability and opportunity.

Finally, with the Foundation poised as it now is, and after ten years as a trustee, I feel now is the right time for me to move on and make way and I will be doing so during the final quarter of 2021. It has been a huge privilege to have been a part of this unique charity and I want to thank everyone I have worked with for their support and friendship, and for their passionate commitment to our continuing mission.

Julian Gell, Chair

STATEMENT FROM THE CEO

During the last year The Counselling Foundation like other organisations had to put aside plans and face into the reality of the COVID situation as it unfolded throughout the financial year. Everyone at the organisation had to face huge challenges and first as a Trustee and then as CEO I was inspired by the way everyone at the organisation – employees, students, partners and clients – faced into these.

The unprecedented circumstances of the last year have demonstrated the vital importance of the service we provide to the community both in terms of the counselling we deliver and the training services that our students experience.

Covid has changed the counselling sector permanently and the way we began and continued to work throughout 2020 reflects this shift. Our immediate priority at the onset of the crisis was the safety of all who engage with us and the organisation quickly adapted to a remote model of working. Both counselling and training were delivered on-line throughout the rest of 2020 and a blended approach to services will be a permanent part of our strategy moving forwards.

We found ways to make this remote model work providing reassurance to our clients that counselling provided on-line or by phone was just an effective way of support as the in-person way of working they had been used to and our counsellors provided stability and support to our service users throughout. Our counsellors and clients learnt how to develop meaningful relationships over an online platform and we adapted our processes to accommodate management of this.

Our student and teaching faculty also adapted quickly to learning via remote methods and found inventive ways to make use of the on-line platform and be able to retain an enjoyment for learning through this medium. Some of our students had never met in person and remained able to form relationships with both each other and the teaching team and learn to work in a different way to those historically learnt by the counselling profession. We are excited that the 2020 cohort of students will be the first cohort who fall within the BACP course accreditation guidance for both on-line and in person work. Equally these new ways of working have enabled us to support clients who previously were unable to access our services – either living in a remote area where services weren't available in person or struggling with challenges such as inability to travel.

Looking forwards our focus will be on embedding this new hybrid way of delivering services and training and this means investing in the platforms that will enable this mode of working to be stable. This means that 2021 will very much be about investment in our technology, people, counselling services and training to enable our services to be provided to a wider audience and at the same level of quality that The Counselling Foundation is known for.

I am excited about the year to come and building on the opportunities that the unprecedented and dreadful circumstances of the Covid pandemic have presented to the organisation.

Emma Branch, CEO

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their annual report with the accounts of the Company for the year ended 31 December 2020. This report includes the directors' report as required by company law.

Objectives and Activities

The Foundations' objects under its Articles of Association are stated as follows:

- 1. Relief of suffering from mental or emotional difficulties by the provision of therapeutic counselling*
- 2. Education and training of persons in the practice of therapeutic counselling*
- 3. Promotion of better mental health and psychological well-being*

To further these legal objectives, our aim is to provide people with access to subsidised counselling that may not be available elsewhere in our communities in Hertfordshire and Bedfordshire. In addition, our counselling training promotes personal development and growth whilst supporting the community through the training of counsellors qualified to provide a talking therapy. As well as contributing to individuals' wellbeing and providing trained counsellors, our activities are intended to enhance awareness and understanding of mental health.

During the year, we met our objectives primarily through the provision of the following main activities:

- **Counselling**

Our charitable ethos is to offer counselling including at a subsidised cost to those in need and this is a key activity for us for the public benefit. As well as remotely delivery since the start of the Covid restrictions, we continue to have our counselling centres in Bedford, Broxbourne, Luton, St Albans and Stevenage. We sometimes refer to this activity as open-ended counselling, reflecting the often-long term nature of the counselling service provided.

- **NHS counselling**

We work under contracts or sub-contracts with the NHS to provide short-term counselling to patients referred by GP surgeries. Historically based at our counselling centres in Hertfordshire and Bedfordshire, the majority of sessions have been delivered remotely in 2020 and into 2021, in the light of Covid restrictions.

- **Training**

In addition, we offer training courses to people who wish to become professionally qualified in counselling. These run from Certificate to Diploma and Advanced Diploma level. A key attraction of our training in Herts and Beds is the opportunity to access supervised placements which enables trainee counsellors to acquire the client hours necessary for their counselling qualifications. Training is mainly organised from our Bedford, Luton and St Albans centres, and has largely been delivered remotely during the

Covid pandemic. Although we have also provided courses based in London in recent years, we do not plan to do so on a face-to-face basis going forward, allowing us to focus on our core locations.

We are an organisational member of the British Association for Counselling and Psychotherapy (BACP). Our Diploma and Advanced Diploma courses are accredited by BACP so that successful completion of these by our students, plus the necessary experience, enables them to become members of BACP.

Response to COVID-19

We have historically provided our counselling and training services face-to-face, from our centres and other locations. Given the impact of COVID-19 in March and April 2020, we worked rapidly over a few weeks to be able to provide our services remotely. Since early April 2020, we have provided remote counselling, by telephone or video, both to the public and under our NHS contracts. In addition, we commenced delivery of our training online as the new term started in April 2020. During subsequent months, we also moved to delivering online our Introduction to Counselling courses and our Open Days for those interested in our training courses.

With our offices closed or operating at reduced levels for much of 2020, our staff have worked hard to maintain our services and operations remotely. We are at present operating a hybrid model, combining some remote and some face to face in Centre working and will continue to review the options.

Whilst we are pleased by the number of our clients who have adopted remote counselling, we inevitably lost some counselling sessions as a result of the impact of COVID-19, as remote working does not suit all clients.

In our training service, we provide annual training courses each year based on an academic year from September. One of the strengths is that the many of our students progress from one year to the next as part of a 4-year training. We have been encouraged by the level of applications for our training courses for the 2020/21 academic year and for the forthcoming 2021/22 academic year.

Achievement and Performance

Counselling

The Foundation delivered counselling sessions under its own open-ended service and under contracts or sub-contracts for the NHS, as follows:

	Number of Counselling sessions delivered 2020	Number of Counselling sessions delivered 2019
Bedford	1,262	1,714
Broxbourne	1,409	1,836
Luton	2,074	2,069
St Albans	4,068	3,992
Stevenage	1,512	2,054
Counselling	10,325	11,665
NHS	11,836	13,131
Other	1,308	462
Total counselling	23,469	25,258

Although largely delivered remotely during Covid impacted 2020, the Foundation has continued to maintain its Centre infrastructure and organise and administer its counselling based on its centres.

Counselling

Although we typically have up to 300 clients in our counselling service, many at subsidised rates, these numbers dropped to nearer 200 with the initial impact of Covid. Client numbers started to recover over 2020 and continue to do so into 2021 to date. We introduced a new framework for our charges during 2019 and have refined this with a revised scale of charges from April 2021 including subsidised counselling.

NHS counselling service

The Foundation provides short-term counselling to patients referred under the NHS. Income for these services is generated by charges to the NHS based on a rate per counselling session.

NHS counselling in Hertfordshire

With limits on the availability of the IAPT trained counsellors that the contract requires, the volume decreases that we experienced in 2019 continued in 2020 and into 2021. Although the number of providers on the contract has now increased, we successfully participated in the tender at the end of 2020 for the new NHS Hertfordshire contract.

NHS counselling in Bedfordshire

The contract for the delivery of short-term counselling covering north Bedfordshire was extended in March 2019 for two years and has been extended again in 2021 on a short-term basis, pending a tender.

Other counselling services

In addition, we provide a number of other counselling services, including support for victims of crime and other groups in Bedfordshire and an Employee Assistance Programme Service to certain organisations.

Training

The Foundation provides a programme of counselling training courses – starting with the Certificate and progressing through Diploma and Advanced Diploma. The Training service has proved a stable service in terms of the number of trainees and provides some continuity with a proportion of trainees continuing from one course to the next.

In addition, the Foundation provides short term Introduction to Counselling courses, typically covering 4 to 6 weeks. The Introduction to Counselling course provides an insight for clients with an interest in counselling. These Introduction courses have proved successful with remote delivery during the Covid restrictions, including into 2021.

Student numbers	Autumn 2020	Autumn 2019	Autumn 2018
Annual courses:			
Certificate in Psychodynamic Counselling Skills	101	99	86
Diploma in Psychodynamic Counselling	67	65	67
Advanced Diploma in Psychodynamic Counselling	32	33	32
Totals	200	197	185

Income from Training comprises principally fees for each course. For the longer courses, covering an academic year, the course fees are payable either by an initial deposit and then instalments or in full prior to the start of the course. In addition, income is generated from training placements.

The Training service fulfils the charity mission of providing education, whilst also contributing financially to the infrastructure for our counselling services. In addition, our trainees undertake supervised placements in our counselling service - supporting counselling clients while building their professional skills. The Training service promotes personal development and growth, including communication skills in personal or professional lives, whilst supporting communities through the development of qualified counsellors able to provide a talking therapy.

We previously identified south-east London as an area to explore to develop our training provision. During 2019, we ran a number of Introduction to Counselling courses in London and we launched our one-year Foundation Certificate course in London for the first time in

Autumn 2019. Having considered it during the Covid restrictions, we do not propose to provide face to face training courses in London going forward.

Donations, Grants and other income

Whilst the principal funding sources of the charity are from the services that it provides, the Foundation's income also benefits from donations, grants and fundraising – we are grateful to providers of these funds.

Financial Review

Financial out-turn

The Foundation reported net income for the year ended 31 December 2020, following a deficit in 2019 and a significant underlying deficit in the 2018 period and this is a helpful step in enhancing our financial sustainability.

	Year ended 31 December 2020 Total funds £'000	Restated Year ended 31 December 2019 Total funds £'000
Donations and grants	35.4	40.2
Training and counselling income	1,602.4	1,467.2
Other income	10.6	14.3
Total income	1,648.4	1,521.7
Expenditure	(1,496.8)	(1,584.4)
Net income, all funds	151.6	(62.7)
Less restricted funds surplus	(10.5)	(5.1)
Net income, unrestricted funds	141.1	(67.8)
Transfer to designated funds	(100.0)	-
Movement in general funds	41.1	(67.8)

For the purposes of the financial statements for the year end 31 December 2020, the Foundation has changed its accounting policy for the recognition of income on its annual training courses, detailed of which are provided in the notes to the financial statements. The amounts relating to the year ended 31 December 2019 set out in this report have been restated to reflect that change.

Although NHS counselling volumes in Hertfordshire were lower, the Foundation benefitted from enhancing Training income, including from Introduction to Counselling courses, favourable volumes on its Bedfordshire NHS and similar work, improving operating margins and cost measures. During 2020, the Foundation focused its face-to-face locations on its long-standing 5 main Centres for ongoing delivery and support for its counselling. As a result, during 2020, the Bedford Centre moved to a new location, the previous two Stevenage sites

were combined into one and rentals were ceased in a number of locations used mainly for NHS delivery.

The net income recorded in 2020 helps replenish the Foundation's finances following previous periods of unfavourable underlying financial results and will also assist the Foundation in investing in its infrastructure and its services to its communities. For the year ended 31 December 2020, the Foundation has transferred most of its net income to designated funds for the enhancement of its IT and technology plus for the repair, maintenance and improvement of existing properties and to support future potential property acquisitions.

Balance sheet

The Foundation's balance sheet includes tangible fixed assets with a net book value at 31 December 2020 of £433.8k, relating predominantly to freehold and long-leasehold properties. Debtors totaling £206.9k at 31 December 2020 mainly relate to training course fees being settled by instalments and amounts due in relation to counselling. Cash at 31 December 2020 was £711.6k. Creditors (due within one year) of £738.4k at 31 December 2020 include deferred income of £546.2k, the majority in relation to training courses to be released as income over the remainder of the academic year to August 2021. The Foundation has a £24.5k bank loan secured on its leasehold properties. Net assets at 31 December 2020 were £595.0k.

Funds

Like many charities, the Foundation holds unrestricted and restricted funds. Restricted income/funds are those to be used for specific purposes as laid down by the donor or otherwise, with expenditure which meets these criteria charged to the restricted funds. Unrestricted funds can be split, at the discretion of the trustees, between general and designated funds (the latter being those that the Trustees elect to earmark for specific purposes). Of the Foundation's total funds, the majority are held as unrestricted:

	31 December 2020 £'000	Restated 31 December 2019 £'000
Restricted reserves	162.1	151.6
Unrestricted reserves		
Designated funds	100.0	-
General funds	332.9	291.8
Unrestricted reserves	432.9	291.8
Total funds	595.0	443.4

The restricted reserves comprise long-standing restricted reserves of £133.7k, raised many years ago to part fund the purchase of some of the Foundation's properties (of which £54.4k

is currently held in cash), and £28.4k arising from restricted grant and other income (net of related expenditure to date). The designated funds relate to funds for the enhancement of the Foundation's IT and technology plus for the repair, maintenance and improvement of existing properties and to support future property acquisitions.

Financial Reserves

The Foundation holds financial reserves in order to aid the proper management of its financial affairs in an orderly manner and to provide financial resources on which to draw in the event of unforeseen events or variances that may arise.

A common measure of financial resilience in the charity sector is to compare the level of financial reserves with monthly expenditure, with a 2018 survey published by Third Sector of 157 leading charities reporting that they held on average 4 months expenditure in reserves. The appropriate level of reserves is a matter for each charity, recognising its activities and circumstance. The unrestricted funds (including designated funds), which are available to further any of the charity's purposes, stood at £432.9k at 31 December, which represented approximately 3.5 times the Foundation's average monthly expenditure in the year ended 31 December 2020, not far short of the level indicated by the Third Sector survey.

The Board is conscious, however, that a substantial proportion of the Foundation's assets which make up these unrestricted funds are held in the form of property, used in the delivery of the Foundation's services and therefore not readily or immediately realisable to fund any financial requirements in the short-term. As at 31 December 2020, cash balances stood at £711.6 of which unrestricted cash balances (including designated funds) were £589.4k, the latter representing 4.7 times the Foundation's average monthly expenditure in the year ended 31 December 2020. However, these cash balances largely represent deferred revenue to be released over the subsequent year and are not generally therefore surplus funds. Net current assets, which are stated after deducting deferred revenue and might be a better indicator of potentially surplus more readily realisable assets, were £180.1k at 31 December 2020, which represents 1.4 times the Foundation's average monthly expenditure in the year ended 31 December 2020.

Holding cash balances also helps the Foundation to address monthly fluctuations and variances and its seasonal cash flow cycle. Cash balances are typically lowest in the Spring, before cash inflows in the Summer in the run-up to the new academic training year, as applicants for the training courses apply for and accept places. Though many of the Foundation's costs are relatively fixed in nature, it is helpful that it is not substantially reliant on donations or fundraising.

Going concern

The Board considers it appropriate to apply the going concern basis to the preparation of these annual financial statements, having regard to the following factors:

- The Foundation has weathered the initial impact of COVID-19 and successfully introduced remote delivery of its counselling and training services, and managed its costs
- Unaudited accounting records in 2021 so far indicate that the Foundation has recorded a satisfactory financial outcome for the year to date
- The Foundation's current cash balances are also satisfactory having regard to previous years' patterns
- Internal financial projections for the remainder of 2021 and into 2022, whilst inevitably subject to the uncertainties inherent in all financial forecasting, provide an appropriate support for the going concern basis for these financial statements.

Plans

The Foundation believes that there is ongoing demand in society for its training and counselling services and views the future positively. It aims to continue to deliver its charitable mission to provide counselling and counselling training, whilst enhancing financial sustainability.

The Foundation plans to continue to seek to improve the structures and processes in its counselling service and explore ways to enhance the service. There are also plans to enhance technology infrastructure in order for the Foundation to better operate in today's environment. The Foundation will continue to monitor the ongoing impact of the COVID-19 environment and the way in which it delivers services and organises its operations.

Structure, Governance and Management

The Counselling Foundation is registered as a charity and is constituted as a company limited by guarantee. It was incorporated on 12 May 1992 under a Memorandum of Association. The governing document is the Articles of Association. Its company number is 02713806 (England & Wales) and its charity number is 1014988.

The Memorandum and Articles of Association were replaced during 2018 by new Articles which are simplified and comply in detail with the Charity Commission's Model Articles for charities set up in this form. Under the new Articles the Board of the company is its governing body. Those appointed to the Board are the Trustees in charity law and the Directors in company law. The Company's Members are the appointed Board. The Trustees confirm that

during the year the charity has had due regard to the Charity Commission's guidance on public benefit.

Potential trustees are identified and recruited by a recruitment and assessment process. The Foundation has the aim that trustees have a range of experience and skills represented together with, so far as is possible, a balanced gender and ethnic mix reflective of our communities. New trustees are briefed on the Foundation's activities and their role in the Board in discussions with other trustees and the Foundation's management. All the trustees are volunteers and receive no remuneration or any other benefit.

Those serving as trustees at the date of this report and during 2020 are:

- Julian Gell
- Mandy Macqueen
- Wendy Molefi-Youri
- Sue Murphy Appointed 2nd February 2021
- Frances Bogie Appointed 2nd February 2021
- Richard Lane Appointed 2nd February 2021, resigned 20th April 2021
- Thomas Smith Resigned 2nd February 2021
- Emma Branch Resigned 31 October 2020 and became CEO 1 November 2020
- Martin Taylor Resigned 19th August 2020
- Philip Needham Resigned 7th April 2020

Matters reserved for decision by the Board include strategy, annual budgets and the appointment and remuneration of the Chief Executive.

The Board delegates management of the Foundation to the Chief Executive, who is supported by members of the Executive with responsibility for specific areas, as follows:

- Emma Branch (CEO) from 1st November 2020 (previously Robert Cuming)
- Jo Spilling (Clinical Director) from April 2020 (previously Noel Hargrave)
- Tracy McPhillips (Head of Operations)
- Mimie Hollist (Head of Training)
- Stephen Anstee (Head of Finance)
- Mark Graham (Director of IT and Digital Services), since June 2021
- Sonja Hutchinson (Head of Projects), since June 2021
- Becci Murtagh (Head of Marketing) until June 2021

Board meetings are usually held every two months and are attended by the Chief Executive and from time-to-time other members of staff as deemed appropriate by the Board. In addition, a Trustee regularly attends monthly management meetings regarding clinical matters. During 2019, meetings of a Finance, Governance & Risk committee recommenced. The Board receives regular reports from the Executive, including operational and financial

reports. In addition, Trustees attend strategy days during the year.

Remuneration of management

The aim of the Charity's remuneration policy is to attract and retain motivated management with the skills and experience to deliver the charity's objectives, whilst having due regard to the interests of our beneficiaries and financial sustainability.

Remuneration for the year ended 31 December 2020 comprised salary and pension contributions. The total remuneration of the senior management was £210.8k (£198.5k for year ended 31 December 2019). The Foundation generally aims to carry out an annual review of pay, taking into account annual performance appraisals, though deferred doing so in 2019 and 2020 given financial out-turns. The Foundation seeks to provide a flexible working environment with most of its employees engaged on a part-time basis. It has an Employee Assistance Programme, available to staff. The Foundation is immensely grateful to management and staff for their dedicated service to the public benefit that the Foundation delivers.

Risk Management

The Board has examined the major risks to which the Foundation may be exposed and is taking reasonable steps to establish systems to mitigate those risks. The Foundation maintains and regularly reviews a log of key risks. This includes operational, financial, people and clinical risks. The Foundation maintains insurance cover.

Role and Responsibilities of the Board

The Board is responsible for overall strategy; ensuring that the objects of the company are properly pursued and that its financial affairs are properly managed.

The Board is responsible for preparing the annual report and financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company Law requires the members of the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its incoming resources and application of resources, including income and expenditure for that year. In preparing those financial statements, the members of the Board are required to:

1. Select suitable accounting policies and then apply them consistently
2. Make judgments and estimates that are reasonable and prudent
3. Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The members of the Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company

and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention of and detection of fraud and other irregularities.

Legal and Administrative Details

Legal and administrative details are given elsewhere in this report.

Auditors

Our auditors, Mercer & Hole, have expressed their willingness to continue in that capacity.

Disclosure of Information to Auditors

So far as the Board is aware, there is no relevant audit information of which the company's auditors are unaware. The Board has taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

On behalf of the Board

Julian Gell, Chair

Date: 27 September 2021

Report of the Independent Auditors to the Members of The Counselling Foundation for the year ended 31 December 2020

Independent Auditor's Report to the Trustees of The Counselling Foundation for the year ended 31 December 2020.

Opinion

We have audited the financial statements of The Counselling Foundation (the 'charity') for the year ended 31 December 2020 which comprise which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including 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 charity's affairs as at 31 December 2020, 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Report of the Independent Auditors to the Members of The Counselling Foundation for the year ended 31 December 2020 - continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- or the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of The Counselling Foundation for the year ended 31 December 2020 - continued

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 14 to 15, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the charity and the environment in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud.

Report of the Independent Auditors to the Members of The Counselling Foundation for the year ended 31 December 2020 - continued

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-andassurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-foraudit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Report of the Independent Auditors to the Members of The
Counselling Foundation for the year ended 31 December 2020 -
continued

Steve Robinson:
Senior Statutory Auditor
for and on behalf of Mercer & Hole
Chartered Accountants and Registered Auditors
Gloucester House, 72 London Road, St Albans,
Hertfordshire, AL1 1NS



Date: 28 September 2021

The Counselling Foundation
Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31 December 2020

	Notes	Unrestricted funds General Funds 2020 £'000	Unrestricted funds Designated funds 2020 £'000	Restricted Funds 2020 £'000	Total Funds 2020 £'000	Restated Total Funds 2019 £'000
Income from:						
Donations and grants	3	5.8	-	29.6	35.4	40.2
Charitable activities: Training and counselling	4	1,550.2	-	52.2	1,602.4	1,467.2
Other income	5	10.6	-	-	10.6	14.3
Total income		1,566.6	-	81.8	1,648.4	1,521.7
Expenditure on:						
Charitable activities: Training and counselling		1,425.5	-	71.3	1,496.8	1,584.4
Total expenditure	6	1,425.5	-	71.3	1,496.8	1,584.4
Net income for the year	7	141.1	-	10.5	151.6	(62.7)
Transfers between funds		(100.0)	100.0	-	-	-
Net Movement in Funds		41.1	100.0	10.5	151.6	(62.7)
Funds at start of year		291.8	-	151.6	443.4	506.1
Funds at end of year		332.9	100.0	162.1	595.0	443.4

Movements in funds are disclosed in the notes to the financial statements.

The Counselling Foundation
Balance Sheet
At 31 December 2020

	Notes	31 December 2020		Restated 31 December 2019	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	10		433.8		450.8
Current assets					
Debtors	11	206.9		160.4	
Cash at bank and in hand		711.6		495.3	
		918.5		655.7	
Liabilities					
Creditors: amounts falling due within one year	12	(738.4)		(639.0)	
Net current assets			180.1		16.7
Total assets less current liabilities			613.9		467.5
Creditors: amounts falling due after more than one year	13		(18.9)		(24.1)
Net assets			595.0		443.4
Funds of the charity					
Restricted funds			162.1		151.6
General funds		332.9		291.8	
Designated funds		100.0		-	
Unrestricted funds			432.9		291.8
Total charity funds	14&15		595.0		443.4

On behalf of the Board, which approved the accounts on 27 September 2021



Julian Gell, Director

Date 27 September 2021

Company Number: 02713806

The Counselling Foundation
Cash Flow Statement
For the year ended 31 December 2020

	Note	2020 £'000	Restated 2019 £'000
Cash flows from Operating Activities	A	221.0	168.9
Cash flows from Investing Activities			
Interest income		0.9	1.1
Payments to acquire tangible assets		-	(5.8)
Cash from/used in Investing Activities		0.9	(4.7)
Cash flows from Financing Activities			
Movement in borrowing		(5.6)	(6.8)
Cash used in Financing Activities		(5.6)	(6.8)
Change in cash and cash equivalents in the year		216.3	157.4
Cash and cash equivalents at the beginning of the year		495.3	337.9
Cash and cash equivalents at the end of the year		711.6	495.3

Of the cash and cash equivalents at 31 December, the following amounts are held in the following of the charity's funds:

Restricted reserves	122.2	87.4
Unrestricted funds		
General funds	489.4	407.9
Designated funds	100.0	-
Cash and cash equivalents at the end of the year	711.6	495.3

The Counselling Foundation
Cash Flow Statement
For the year ended 31 December 2020

NOTE TO THE CASH FLOW STATEMENT

A. Reconciliation of net movements in funds to net cash flow from operating activities

	2020	Restated
	£'000	2019
	£'000	£'000
Net movement in funds, as shown in Statement of Financial Activities	151.6	(62.7)
Non-operating cash flows eliminated:		
Depreciation charge	17.0	19.2
Interest income	(0.9)	(1.1)
	16.1	18.1
Decrease/(increase) in debtors	(46.4)	75.2
(Decrease)/increase in creditors	99.7	138.3
Net cash (absorbed)/generated by operating activities	221.0	168.9

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

2. Accounting policies

- (a) The financial statements for the year ended 31 December 2020 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 applicable law in the jurisdiction of registration being the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts are prepared in sterling rounded to the nearest £'000. The Charity meets the definition of a public benefit entity under FRS 102.
- (b) Donations and grants are included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.
- (c) Revenue under contracts for services is recognised to the extent that the right to income has been obtained by the performance or part performance of the contractual obligation.
- (d) In relation to its training services, the majority of the Foundation's training is delivered over courses that cover up to an academic year, with the rest of the training delivered on short-term courses. For training courses that cover an academic year, the total fee income receivable for the course is recognised in debtors on acceptance for the course. At this point, the registration fee and, in previous years, a minority element of the overall fees for the training courses has been recognised as income, in recognition of the resources expended in setting up the courses and in the application, registration and acceptance process, with the majority of the fees for these year-long courses reflected in deferred revenue in the balance sheet and then released to income over the period of the training course. For the purposes of these financial statements, the accounting policy has been changed, so that, whilst the registration fee continues to be recognised as income on acceptance on the course, all the fees for these year-long courses is reflected in deferred revenue in the balance sheet and then released to income over the period of the training course, a presentation that more closely aligns income recognition to course delivery. The Foundation provides the option to settle training fees for the longer courses by instalments usually linked to the length of the course (which are less than 12 months).
- (e) Income from short-term training courses is recognised on delivery of the training. In addition, income generated from training placements is recognised over the period of the placement.
- (f) In relation to its provision of counselling under contracts to the NHS, the Foundation recognises revenue from these contracts on delivery of the relevant counselling sessions. Any amounts receivable or received before the year end in relation to counselling sessions to be delivered after the year end, is recognised in deferred income.
- (g) Income from investments and other income is included when receivable.
- (h) Expenditure is recognised in the year in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

1.Accounting policies (continued)

- (i) Expenditure is allocated to the activity where the cost relates directly to that activity. Combined, shared and support costs are apportioned by reference to management estimates of where time is spent or attributable or on management estimates of appropriate splits or pro rata to relevant income over a period of years. Pension costs are allocated between activities based on the allocation of employee costs of the related employee.
- (j) Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.
- (k) Fixed assets are capitalised at cost. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life.
 - i. Fixtures, fittings and equipment - 15% straight line basis
 - ii. Information technology equipment - 33% straight line basis
- (l) The accounts have been prepared in compliance with applicable legislation save that no depreciation has been provided in respect of freehold and long leasehold properties, which are carried at cost. This is a departure from the requirements of the Companies Act 2006 which requires all properties to be depreciated and has been made in order to give a fair presentation. The directors consider that to depreciate the properties would not give a true and fair view. The properties are maintained to a reasonable standard and their residual value is expected to be not less than their cost and therefore any diminution in their value is immaterial to the accounts. Impairment reviews are carried out on an annual basis. The directors consider that this policy results in the financial statements giving a true and fair view.
- (m) Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.
- (n) 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 opening of the deposit or similar account.
- (o) 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.
- (p) The charity has a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Financial Activities.
- (q) 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 except for bank loans which are subsequently measured at the carrying value plus accrued interest less repayments.

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

1. Accounting policies (continued)

- (r) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.
- (s) Designated funds are unrestricted funds that have been earmarked by the directors for particular purposes.
- (t) Restricted funds are to be used for specific purposes as laid down by the donor or otherwise. Expenditure which meets these criteria is charged to the restricted funds.
- (u) These accounts have been prepared on a going concern basis. The Trustees believe that this is appropriate, having regard to the charity's cash position, its budget and reforecasts for the rest of 2021 and 2022 and management accounts in the current year to date.

2. Change in accounting policy

For the purposes of these financial statements, the Foundation has changed its accounting policy for the recognition of income on its annual training courses. Previously, on acceptance of the trainee on the course, a minority element of the overall fees for the training courses was recognised as income, with the majority of the fees for these year-long courses reflected in deferred revenue in the balance sheet and then released to income over the period of the training course. For the purposes of these financial statements, the accounting policy has been changed, so that all the fees for these year-long courses is reflected in deferred revenue in the balance sheet and then released to income over the period of the training course, more closely aligning income recognition to course delivery. The effect of this change in accounting policy is summarised below.

	2020 Under previous accounting policy £'000	2020 Effect of change in accounting policy £'000	2020 Under new accounting policy £'000
Income	1,653.7	(5.3)	1,648.4
Expenditure	(1,496.8)	-	(1,496.8)
Net income for the year	156.9	(5.3)	151.6
Opening funds	540.0	(96.6)	443.4
Closing funds	696.9	(101.9)	595.0

	2019 Under previous accounting policy £'000	2019 Effect of change in accounting policy £'000	Restated 2019 Under new accounting policy £'000
Income	1,545.9	(24.2)	1,521.7
Expenditure	(1,584.4)	-	(1,584.4)
Net income for the year	(38.5)	(24.2)	(62.7)
Opening funds	578.5	(72.4)	506.1
Closing funds	540.0	(96.6)	443.4

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

	2020 Under previous accounting policy £'000	2020 Effect of change in accounting policy £'000	2020 Under new accounting policy £'000
Assets	1,352.3	-	1,352.3
Creditors	(655.4)	(101.9)	(757.3)
Net assets	696.9	(101.9)	595.0
Restricted funds	162.1	-	162.1
Unrestricted funds	534.8	(101.9)	432.9
Total funds	696.9	(101.9)	595.0

	2019 Under previous accounting policy £'000	2019 Effect of change in accounting policy £'000	Restated 2019 Under new accounting policy £'000
Assets	1,106.5	-	1,106.5
Creditors	(566.5)	(96.6)	(663.1)
Net assets	540.0	(96.6)	443.4
Restricted funds	151.6	-	151.6
Unrestricted funds	388.4	(96.6)	291.8
Total funds	540.0	(96.6)	443.4

3. Donations and grants

	2020			2019
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Donations	5.8	17.2	23.0	24.2
Grants	-	12.4	12.4	16.0
	5.8	29.6	35.4	40.2

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

4. Income from charitable activities

	2020			2019
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Counselling income	844.6	52.2	896.8	857.0
Training income	705.6	-	705.6	610.2
	1,550.2	52.2	1,602.4	1,467.2

During 2020, the Foundation was provided with £56.3k (2019: £41k) for support for victims of crime and others and for domestic abuse and other services in Bedfordshire, part of which was delivered in 2020 with the remainder to be delivered in 2021.

5. Other income

	2020			2019
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Rents received	0.8	-	0.8	3.3
Miscellaneous income	8.9	-	8.9	9.9
Investment and interest income	0.9	-	0.9	1.1
	10.6	-	10.6	14.3

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

6. Total expenditure

	2020			2019 Total £'000
	Counselling £'000	Training £'000	Total £'000	
Staff and similar costs	442.4	406.5	848.9	821.6
Counselling costs	393.5	-	393.5	418.3
Premises	87.5	26.3	113.8	151.2
General expenses	18.6	18.8	37.4	42.4
Training costs	-	11.2	11.2	36.3
Depreciation	10.0	7.0	17.0	19.2
Communications	5.2	3.4	8.6	14.2
Advertising	0.7	13.5	14.2	12.8
Travel	3.0	1.1	4.1	11.7
Consultancy	8.7	6.3	15.0	11.2
Post & stationary	2.7	2.0	4.7	11.3
Bad & doubtful debts	1.4	5.8	7.2	11.5
Insurance	3.5	2.3	5.8	7.1
Bank charges	5.0	3.6	8.6	8.7
Audit fees	3.2	2.2	5.4	4.5
Interest	0.5	0.4	0.9	1.0
Subscriptions	0.3	0.2	0.5	1.4
	<u>986.2</u>	<u>510.6</u>	<u>1,496.8</u>	<u>1,584.4</u>
Direct costs	654.6	283.7	938.3	1,042.7
Support costs allocated and apportioned	331.6	226.9	558.5	541.7
	<u>986.2</u>	<u>510.6</u>	<u>1,496.8</u>	<u>1,584.4</u>

The governance costs incurred by the Foundation relate to audit plus trustee indemnity and directors' liability insurance. Audit and related charges were £5.4k for the year ended 31 December 2020 (£4.5k for the year ended 31 December 2019). The cost of the Foundation's insurance cover (which includes wider business insurance as well as trustee indemnity and directors' liability cover) was £5.8k for the year ended 31 December 2020 (£7.1k for the year ended 31 December 2019). These audit and wider insurance costs total £11.2k for the year ended 31 December 2020 (£11.6k for the year ended 31 December 2019).

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

The split of expenditure for the previous year is shown below.

	Counselling	2019 Training	Total
	£'000	£'000	£'000
Staff and similar costs	455.6	366.0	821.6
Counselling costs	418.3	-	418.3
Training direct costs	-	36.3	36.3
Premises	110.6	40.6	151.2
Mortgage interest	0.6	0.4	1.0
Communications	9.1	5.1	14.2
Audit fees	2.8	1.7	4.5
Consultancy	6.8	4.4	11.2
General expenses	27.0	15.4	42.4
Depreciation	12.0	7.2	19.2
Bank charges	5.1	3.6	8.7
Advertising	0.5	12.3	12.8
Travel	8.3	3.4	11.7
Post & stationery	6.4	4.9	11.3
Subscriptions	0.2	1.2	1.4
Insurance	4.9	2.2	7.1
Bad debts	0.8	10.7	11.5
	<u>1,069.0</u>	<u>515.4</u>	<u>1,584.4</u>
Direct costs	735.0	307.7	1,042.7
Support costs allocated and apportioned	334.0	207.7	541.7
	<u>1,069.0</u>	<u>515.4</u>	<u>1,584.4</u>

7. Net income for the year

Net income for the year is stated after charging:

	2020 £'000	2019 £'000
Interest payable	0.9	1.0
Depreciation	17.0	19.2
Auditors' remuneration for audit services	5.4	4.5
Operating lease commitments	<u>63.2</u>	<u>85.0</u>

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

8. Staff costs and numbers

Staff costs were as follows:

	2020 £'000	2019 £'000
Wages and salaries – management, finance and administration, counselling and training including National Insurance	769.4	725.4
Social security costs – management, finance and administration, counselling and training.	47.2	41.5
Pension contributions – management, finance and administration, counselling and training	13.7	13.3
Temporary administration staff costs	-	8.3
	<hr/>	<hr/>
Total staff costs	830.3	788.5

The number of employees whose emoluments exceeded £60,000 is stated below:
£60,001 - £70,000

2020	2019
-	-

No trustee received any remuneration or pension contributions or received any other benefits of an employment. Trustee expenses of £nil (2019: £86) were reimbursed. The pension contributions related to monies paid into a defined contribution scheme for employees. Benefits are accruing for 26 members of staff under the defined contribution scheme. There were no outstanding contributions at the balance sheet date.

The monthly average number of persons employed by the charity during the year was:

	2020	2019
	Number	Number
Management	6	6
Counselling and training staff	44	39
Administration and support	14	16
	<hr/>	<hr/>
	64	61

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

	2020	2019
	Number	Number
Management	4	4
Counselling and training staff	12	8
Administration and support	11	11
	<hr/>	<hr/>
	27	23

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

8. Staff costs and numbers continued

Management remuneration was as follows:

	2020 £'000	2019 £'000
Management remuneration	210.8	198.5

9. Taxation

The company is exempt from corporation tax on its charitable activities.

10. Tangible fixed assets

	Freehold Property £'000	Long Leasehold Property £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 31 December 2019	88.3	318.4	125.5	532.2
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2020	88.3	318.4	125.5	532.2
Depreciation				
At 31 December 2019	-	-	81.4	81.4
Charge for the year	-	-	17.0	17.0
Eliminated on disposals	-	-	-	-
At 31 December 2020	-	-	98.4	98.4
Net Book Value				
At 31 December 2020	88.3	318.4	27.1	433.8
At 31 December 2019	88.3	318.4	44.1	450.8

The long leasehold properties, with a net book value at 31 December 2020 of £318.4k, are subject to security in relation to a bank loan of £24.5k at 31 December 2020.

No depreciation has been provided in respect of freehold and long leasehold properties, which are carried at cost. Had depreciation been provided at 2% per annum, the net book value of the freehold and long leasehold properties would have been £181.4k at 31 December 2020, compared to their net book value of £406.7k.

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

11. Debtors

	2020 £'000	2019 £'000
Prepayments & Accrued Income	10.6	6.9
Other debtors	196.3	153.5
	<u>206.9</u>	<u>160.4</u>

12. Creditors: amounts falling due within one year

	2020 £'000	Restated 2019 £'000
Bank loan	5.6	6.0
Trade creditors	92.9	115.0
Accruals	72.9	37.8
Deferred income	546.2	466.4
Social security	20.8	13.8
	<u>738.4</u>	<u>639.0</u>

All income deferred at the previous year end at 31 December 2019 (save for some immaterial amounts) was released during the year ended 31 December 2020. All income that was deferred as at the 31 December 2020 was deferred during the year then ended (save for some immaterial amounts) and has been or is expected to be released in the year to December 2021.

13. Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Bank loan	<u>18.9</u>	<u>24.1</u>

Analysis of bank loan:

Amounts payable by instalments:

Between one and two years	5.6	6.0
Between two and five years	13.3	18.1
	<u>18.9</u>	<u>24.1</u>

In addition, there is an amount of £5.6k in relation to this bank loan that is included in Creditors: amounts falling due within one year. The total bank loan of £24.5k is secured on the long leasehold properties of the Foundation and at 31st December 2020 represented 8% of their book value. The original loan of £150k was repayable over 25 years from 1992 but was renegotiated in January 2000 for a further 25 years. During the year, the interest rate was a floating interest rate equal to a margin of 2% per annum over the Base Rate.

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

14. Analysis of net assets between funds

	Unrestricted funds General Funds £'000	Unrestricted funds Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
Tangible fixed assets	354.5	-	79.3	433.8
Current assets				
Debtors	186.4	-	20.5	206.9
Cash	489.4	100.0	122.2	711.6
Creditors: due within 1 year	(678.5)	-	(59.9)	(738.4)
Creditors: due after more than 1 year	(18.9)	-	-	(18.9)
Net assets at 31 December 2020	332.9	100.0	162.1	595.0

15. Movement in funds

	Restated At 31 December 2019 £'000	2020 Incoming Resources £'000	2020 Outgoing Resources £'000	2020 Transfers £'000	At 31 December 2020 £'000
Restricted funds:					
Freehold Property	13.6	-	-	-	13.6
Leasehold Property	65.7	-	-	-	65.7
Cash – Relating to property	54.4	-	-	-	54.4
Cash - Other	17.9	81.8	(71.3)	-	28.4
Total restricted funds	151.6	81.8	(71.3)	-	162.1
Unrestricted funds:					
Designated funds					
IT	-	-	-	20.0	20.0
Property	-	-	-	80.0	80.0
Total designated funds	-	-	-	100.0	100.0
General funds	291.8	1,566.6	(1,425.5)	(100.0)	332.9
Total unrestricted funds	291.8	1,566.6	(1,425.5)	-	432.9
Total funds	443.4	1,648.4	(1,496.8)	-	595.0

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2020

Restricted funds:

These are funds that were provided specifically towards the purchase and renovation of properties, plus income from grants made to the Foundation for specific purposes.

Unrestricted funds:Designated funds

The Foundation has designated funds for the enhancement of its IT and technology plus for the repair, maintenance and improvement of existing properties and to support future property acquisitions.

General Fund

This is income receivable or generated for the objects of the charity without further specified purposes.

16. Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity whilst that person is a member, or within one year after that person ceases to be a member. The Company was incorporated in England and Wales, the registered office is: 1 College Yard, Lower Dagnall Street, St Albans, Hertfordshire, AL3 4PA.

17. Operating lease commitments

At 31 December 2020 the charity had commitments under operating leases as set out below:

	Land and buildings		Equipment	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Operating lease payments due in less than one year:	31.0	79.5	6.2	5.2
Operating lease payments due in the second to fifth year:	31.0	64.2	11.5	17.6
	62.0	143.7	17.7	22.8

18. Related party transactions

There have been no related party transactions in the year.

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19. Comparative funds

	Restated Unrestricted Funds 2019 £'000	Restated Restricted Funds 2019 £'000	Restated Total Funds 2019 £'000
Income from:			
Donations and grants	12.5	27.7	40.2
Charitable activities:			
Training and counselling	1,457.9	9.3	1,467.2
Other income	14.3	-	14.3
Total income	1,484.7	37.0	1,521.7
Expenditure on:			
Charitable activities:			
Training and counselling	1,552.5	31.9	1,584.4
Total expenditure	1,552.5	31.9	1,584.4
Net income for the year	(67.8)	5.1	(62.7)
Transfers between funds	-	-	-
Net Movement in Funds	(67.8)	5.1	(62.7)
Total Funds at 1 December 2018	359.6	146.5	506.1
Total Funds at 31 December 2019	291.8	151.6	443.4

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20. Associate entity

The Foundation has a 40% equity and voting interest in College Yard Management Limited, which owns the freehold of and provides property management services for the College Yard site in Lower Dagnall Road, St Albans. The Foundation has long leasehold interests in 2 of the 5 units at this site and a short leasehold interest in another of the 5 units. The net assets of College Yard Management Limited, as shown in its most recently filed unaudited financial statements to 31 December 2019, were £100. The Foundation carries its investment in this company at nil cost. Its share of the net assets of College Yard Management Limited was £40. Save for reimbursement or recharges of appropriate costs, the Foundation has not received any distribution or income from College Yard Management Limited.