

London School of Osteopathy

(A Company Limited by Guarantee)

Company No. 04037209

Charity No. 1085391

Report and financial statements

For the year ended

31 August 2018

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London School of Osteopathy

Reference and administrative information

For the year ended 31 August 2018

Trustees:	Chair	Andrew Duguid
	Trustee	William Allen
	Trustee	David Marriott
	Trustee	Piers Spencer
	Trustee	Yelena Walters
	Trustee	Linda Gregory (appointed 16.01.18)
	Trustee	Vicky Morgan (appointed 16.01.18)
	Trustee	Rajarshi Bhattacharyya (appointed 26.06.18)

Company Secretary: Yasmin D'Souza

Chief Executive: Fiona Hamilton

Company number: 04037209

Charity number: 1085391

Registered office: 12, Grange Road, London, SE1 3BE
www.lso.ac.uk

Auditors: Goldwins Limited
75 Maygrove Road
West Hampstead
London NW6 2EG
www.goldwins.co.uk

Bankers	HSBC	Lloyds Bank PLC
	Retail Unit 8	25 Gresham Street
	38 Canada place	London
	Canary wharf	EC2V 7HN
	London	
	E14 5AH	

Solicitors Bates, Wells & Braithwaites
2 – 6 Cannon Street,
London
EC4M 6YH

Trustees' report

The trustees, who are also directors under company law, present their report and financial statements for the year ended 31 August 2018.

The trustees confirm that 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

Purposes and aims

The London School of Osteopathy is a registered Charity, whose objectives are:

'the advancement of the science and practice of osteopathy for the public benefit and the education and training of persons in this subject.'

The LSO Charity is primarily active through the osteopathy courses and clinic. The school has a Senior Management Team (SMT) who give effect to the vision of the Board, and manage the day to day affairs.

The LSO currently only provides degree level education in osteopathy. There are four courses:

- BSc (hons) Osteopathy – full-time or part-time
- MSt (an undergraduate integrated Masters degree) - full-time or part-time.

The courses are validated by Anglia Ruskin University, and accredited by the General Osteopathic Council.

The programme is managed and delivered at the London School of Osteopathy, Bermondsey London SE1, with the teaching clinic at Bethnal Green, London E2.

Clinical education is a fundamental element of the courses. The costs of running the clinic are subsidised by the fees paid by patients. Fees are modest, and concessions are available, in keeping with the charitable aims of the LSO.

Mission:

To be an effective, efficient and supportive learning organisation committed to the generation, provision & development of high quality osteopathic education which meets the needs and requirements of all stakeholders. The LSO will continue to make significant contributions to the health care of its diverse local population.

Public benefit

The outpatient teaching clinic provides low cost and subsidised osteopathic healthcare to the local community. A recent patient focus group confirmed that for many recipients, if the LSO clinic were

Trustees' report

not present, there would be no provision for musculo-skeletal health needs, particularly those with complex or chronic problems. The clinic runs at a loss, and is subsidised by student fees. This is appropriate as the teaching clinic forms part of their osteopathic training.

The LSO offers four pathways all leading to access to the statutory register for osteopaths (under the auspices of the General Osteopathic Council). Two are at Bachelor's level, and two at Master's level. Both full-time and part-time options are available, to give the widest and most flexible choice options. Many of our students come to osteopathy as 2nd career choices, and balance work and home lives with study. During their studies (and on graduation) students contribute to the health and wellbeing of the local population, both through the teaching clinic, and through research undertaking in the final stages of the Master's pathway.

Achievements and performance

Reporting performance				
Inputs	Activities	Outputs	Outcomes	Impact
<ul style="list-style-type: none"> ◆ Design of the MOst / BOst pathways. 	<ul style="list-style-type: none"> ◆ Delivery of the MOst / BOst pathways. ◆ Outpatient teaching clinic. 	<ul style="list-style-type: none"> ◆ Professional & vocational training. ◆ Patients seen at the teaching clinic. 	<ul style="list-style-type: none"> ◆ Acquisition of knowledge and skills, participation in research, and transition to autonomous osteopathic practice. ◆ Improved patient health; education regarding posture, exercise, lifestyle etc. 	<ul style="list-style-type: none"> ◆ Personal and professional development. ◆ Graduates join GOsC and contribute to healthcare in their locality. ◆ Patient access to osteopathic healthcare.

Course completions: Classifications awarded

MOst	Distinction	Merit	Pass	
	1	5	1	
BOst	First	Upper second	Lower second	Third
	0	4	7	1

Progression tables for all years: 2017-18.

2013-14 cohort (Yr 5 Part-time) BOst						
No. start	Ret from int	Transfer in	Intermittent	Withdrawn	Failed	Graduated
11	1	2	0	0	1	13

Trustees' report

2013-14 cohort (Yr 5 Part-time) MOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Graduated
6	1	0	0	0	0	7

2014-15 cohort (Yr 4 Part-time) BOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Progressed
7	1	4	0	0	1	6

2014-15 cohort (Yr 4 Part-time) MOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Progressed
8	0	0	0	0	1	7

2015-16 cohort (Yr 3 Full-time) MOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Progressed
4	0	0	1	0	0	3

2015-16 cohort (Yr 3 Part-time) MOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Progressed
7	1	0	1	0	0	7

2016-17 cohort (Yr 2 Full-time) MOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Progressed
10	0	1	2		1	8

2016-17 cohort (Yr 2 Part-time) MOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Progressed
14	0	0	0	1	0	13

2017-18 cohort (Yr 1 Full-time) MOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Progressed
10	2	0	1	2	0	9

2017-18 cohort (Yr 1 Part-time) MOst

No. start	Ret from int	Transfer in	Intermitted	Withdrawn	Failed	Progressed
13	1	3	3	3	1	10

Trustees' report

With regards the teaching clinic, over 7,000 appointments were delivered to a diverse patient base, ranging from 1 week to over 90 years old, across the socio-economic spectrum. A high proportion of these appointments were at concessionary rates (for example elderly, children, job-seekers).

Financial review – 2017-18.

The charity continues to demonstrate financial stability. There was an adequate net surplus of £48k for the year to 31 August 2018, of which £46k related to unrestricted funds. There were no periods of operating at a deficit.

The key income stream is via student fees. These increased by 6% to £647k. This was due to the increase in full time-students progressing on the new pathway (up from 13 to 34, a 160% increase from the previous year), and recruitment of a larger part-time cohort (up from 13 to 20); and also to a phasing out of the lower fees paid now only by students in the final years. Against this, the funding from Higher Education Funding Council for England decreased by 3% to 89K due to the anticipated changes in the funding model.

The outpatient clinic income is another key source of income, and this decreased by 4% to £185k listed in note 3 to the financial statements. The income helps to defray the cost of running the clinic as a teaching resource, and runs at a loss (approximately £44k in the last financial year). The clinic is also key to delivering the charitable mission of providing low cost health care to the local community.

The LSO offers a small government pension scheme - funding is held under a pension provided by Nest, the LSO has no control of the asset or how it is administered. The charity does not hold any investments

Reserve policy

As at 31 August 2018, total reserves were £819k, all of which were unrestricted. This is an increase of over 6%. Of the total reserves, £40k was designated by the Trustees for a Building Development fund. Of the remainder, £680k is taken up by fixed assets, leaving £98k as free reserves.

The reserves policy takes into account the need to: -

- Deal with short-term volatility of income without having to suddenly cut expenditure. This allows the charity to spend a portion of reserves, subject to a replenishment plan being in place.
- Provide funding to cover charity staff costs in the extreme case of closure.

The Trustees consider that 3 to 4 months' future expenditure is the target range for these purposes. This gives a target range free reserves of between £110k and £140k.

The reserves policy and target level are reviewed by the Trustees on annual basis, together with any steps necessary to align the actual level with the target over time.

Trustees' report

A grant of £10,750 was received for a specific youth project. To date £2,873 has been spent. Any funds remaining in August 2018 will be returned to the donor.

Going concern

The Trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue its activities. The accounts have therefore been prepared on the basis that the charity is a going concern.

Principal risks and uncertainties

The risk register drawn up in 2016-17 is kept under review, and any changes considered at each Trustee Board meeting. In 2017-18 there have been no material changes, and the impact of both the Office for Students and BREXIT are still largely unknown quantities. Thus the key risks remain as:

- Recruitment and retention of students (including the impact of BREXIT; level of fees; competition from other providers)
- Building / site accessibility and maintenance
- External policy changes (business rates; data protection; teaching excellence framework)

Approaches to ameliorate the above risks include:

- Review and refresh marketing with a new focus on digital and social media
- Increase budget for capital projects
- Staff training and development

Plans for the future

There are no plans to change the direction of the London School of Osteopathy, in either the education or clinical provision.

Structure, governance and management

The Charity is also a company limited by guarantee, which gives certain advantages and protection to the Board.

According to the Memorandum & Articles of Association, the LSO Charity has a Board of between 2 and 15 Trustees. A Chair is nominated by the Board. At each AGM, 1/3rd of the Board stand down in rotation, but may be re-appointed. (See the M&A document for more detail).

The Trustee Board has the responsibility for determining strategy and policy, and then monitoring the delivery and results of the Strategic Plan so created. Occasional meetings may be called to consider the setting of such policy and the Board has the ability to create working groups or sub-committees as required.

The Board meets once per quarter at the Grange. At every meeting, the Director of Finance presents the management accounts (the income and expenditure for the last period & year to date). The autumn meeting agrees the budget for the year; the winter meeting usually considers the audited

Trustees' report

accounts. The spring meeting coincides with the AGM. Other items on the standing agenda are monitoring the Strategic Plan and the Risk Register, and a report from the Principal.

New trustees are provided with an induction pack, which includes 4 leaflets under the headings of 'The Good Trustee Guide'. These go through the legal and societal expectations of charities & their Boards in detail, but in a very accessible format. There is an additional file 'Trustees Gov Guidance' which repeats some of this material, but also contains hyperlinks to the Government website that details the requirements of the conduct of charities.

New trustees are selected according to the skill set needed by the Board, and if they have shown a particular interest in osteopathy. There is a mix of lay and professional members.

The LSO Charity is primarily visible through the osteopathy courses and clinic. The school has a Senior Management Team (SMT) who operationalise the vision of the Board, and manage the day to day affairs. The Principal is de facto the Chief Executive Officer.

Constitution of SMT

<i>Position</i>	<i>Name</i>
Principal	Ms Fiona Hamilton
Registrar	Mrs Yasmin D'Souza
Director of Finance	Mr Prince Daramola
Course Leader	Dr Maria Fitzgerald (PhD)
Director of Clinical Studies	Ms Lucy MacKay-Tumber

Academic standards are monitored by the validating University, and the External Examining system. Academic and professional standards are monitored by the QAA on behalf of the General Osteopathic Council. The LSO operates a continuous cycle of quality maintenance and enhancement, utilising feedback from a range of sources and stakeholders.

The detailed course aims and learning outcomes are specified in the Course Specification Forms, which are lodged with the University. They were devised to enable students to meet the requirements set out in the Benchmark Statement (QAA 2015), Osteopathic Practice Standards (GOsC 2012), Guidance for Osteopathic Pre-Registration Education (GOsC 2015) and the Quality Code (QAA). Each module is mapped to the course learning outcomes, ensuring that the curriculum matches the course aims. The learning outcomes and content of each module are enshrined in the Module Definition Forms (housed electronically within the University), and are communicated to students annually via more detailed Module Guides.

Remuneration policy for key management personnel

Procedure:

- SMT salaries are subject to annual review.
- The Principal is responsible for making recommendations to the Board regarding the salaries of all other members of the SMT.
- The Principal is responsible for producing a memorandum to the Chairman of the Board for consideration by the Trustees with regards the Principal's salary.

Trustees' report

- The ultimate decision on any uplift would remain with the Board.
- The SMT remains responsible for pay scales of all other staff at the LSO within agreed budgets.

Statement of responsibilities of the trustees

The trustees (who are also directors of charitable company 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 and statements of recommended practice 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 charity will continue in operation

The trustees are responsible for keeping proper 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.

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2018 was 8 (2017: 5). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

London School of Osteopathy

For the year ended 31 August 2018

Trustees' report

Statement as to disclosure to our auditors

In so far as the trustees are aware:

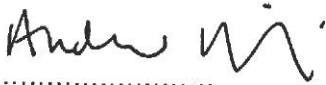
- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Goldwins limited were re-appointed as the auditors of the charitable company during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 18th February 2019

and signed on their behalf by;



Andrew Duguid

Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON SCHOOL OF OSTEOPATHY

Opinion

We have audited the financial statements of The London School Of Osteopathy (the 'Charity') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the 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 Charity's affairs as at 31 August 2018 and of 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 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

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 Charity'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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON SCHOOL OF OSTEOPATHY

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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have 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 Charity 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 they 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.

Our 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LONDON SCHOOL OF OSTEOPATHY

This report is made solely to the Charity'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 Charity'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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Anthony Epton

Anthony Epton (Senior Statutory Auditor)
for and on behalf of
Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

4 March 2019

The London School Of Osteopathy

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2018

		Unrestricted Fund £	Restricted £	2018 Total £	2017 Total £
	Note				
Income from:					
Donations and legacies		-	-	-	-
Charitable activities	3	-	-	-	-
Education, training and professional development		940,706	2,873	943,579	892,441
Other trading activities		-	-	-	-
Investments	4	400	-	400	359
Other		-	-	-	-
Total income		941,106	2,873	943,979	892,800
Expenditure on:					
Raising funds		-	-	-	-
Charitable activities	5	-	-	-	-
Education, training and professional development		894,542	1,199	895,741	848,465
Other		-	-	-	-
Total expenditure		894,542	1,199	895,741	848,465
Net income / (expenditure) before net gains / (losses) on investments		46,564	1,674	48,238	44,335
Net gains / (losses) on investments		-	-	-	-
Net income / (expenditure) for the year	6	46,564	1,674	48,238	44,335
Transfers between funds		-	-	-	-
Net income / (expenditure) before other recognised gains and losses		46,564	1,674	48,238	44,335
Net movement in funds		46,564	1,674	48,238	44,335
Reconciliation of funds:					
Total funds brought forward		771,998	(1,674)	770,324	725,989
Total funds carried forward		818,562	-	818,562	770,324

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 18 to the financial statements.

The London School Of Osteopathy
Balance sheet

Company no. 04037209

As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets:					
Tangible assets	11		<u>1,429,337</u>		<u>1,464,539</u>
			<u>1,429,337</u>		<u>1,464,539</u>
Current assets:					
Debtors	12	27,833		16,493	
Cash at bank and in hand		<u>152,797</u>		<u>205,595</u>	
			<u>180,630</u>		<u>222,089</u>
Liabilities:					
Creditors: amounts falling due within one year	13	<u>115,083</u>		<u>168,757</u>	
Net current assets / (liabilities)			<u>65,547</u>		<u>53,332</u>
Total assets less current liabilities			<u>1,494,884</u>		<u>1,517,871</u>
Creditors: amounts falling due after one year	15		<u>(676,322)</u>		<u>(747,547)</u>
Net assets excluding pension asset / (liability)			<u>818,562</u>		<u>770,324</u>
Defined benefit pension scheme asset / (liability)			-		-
Total net assets / (liabilities)			<u><u>818,562</u></u>		<u><u>770,324</u></u>
The funds of the charity:	18				
Restricted income funds			-		(1,674)
Unrestricted income funds:					
Fixed assets fund		680,246		646,696	
Building development fund		<u>40,000</u>		<u>40,000</u>	
General funds		<u>98,316</u>		<u>85,302</u>	
Total unrestricted funds			<u>818,562</u>		<u>771,998</u>
Total charity funds			<u><u>818,562</u></u>		<u><u>770,324</u></u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on 18th February 2019 and signed on their behalf by



Andrew Duguid
Chair

Yasmin D'Souza
Secretary

The London School Of Osteopathy
Statement of cash flows

For the year ended 31 August 2018

	Note	2018 £	£	2017 £	£
Cash flows from operating activities	19				
Net cash provided by / (used in) operating activities		15,954		166,166	
Cash flows from investing activities:					
Dividends, interest and rents from investments		-		-	
Proceeds from the sale of fixed assets		-		-	
Purchase of fixed assets		-	(37,834)	-	
Proceeds from sale of investments		-		-	
Purchase of investments		-		-	
Net cash provided by / (used in) investing activities			-		(37,834)
Cash flows from financing activities:					
Repayments of borrowing		(49,274)		(47,404)	
Cash inflows from new borrowing		(19,478)		(18,930)	
Receipt of endowment		-		-	
Net cash provided by / (used in) financing activities			(68,752)		(66,334)
Change in cash and cash equivalents in the year			(52,798)		61,998
Cash and cash equivalents at the beginning of the year			205,595		143,597
Change in cash and cash equivalents due to exchange rate movements			-		-
Cash and cash equivalents at the end of the year	20		152,797		205,595

1 Accounting policies

a) 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) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 September 2014.

No restatement was required.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts. 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.

d) 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 government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

For the year ended 31 August 2018

1 Accounting policies (continued)

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.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees 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:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, 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 was incurred.

i) Allocation of support 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 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.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. 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.

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:

Freehold building	100 years (freehold land not depreciated)
Leasehold costs	over the terms of the lease
Medical equipment	10 years
Office equipment	5-10 years

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. Cash balances exclude any funds held on behalf of service users.

For the year ended 31 August 2018

1 Accounting policies (continued)

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

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.

p) Pensions

The charity operates stateholder pension scheme.

2 Detailed comparatives for the statement of financial activities

	Unrestricted £	Restricted £	2017 Total £
Income from:			
Donations and legacies	-	-	-
Charitable activities	-	-	-
-Education, training and professional development	892,441	-	892,441
Other trading activities	-	-	-
Investments	359	-	359
Other	-	-	-
Total income	892,800	-	892,800
Expenditure on:			
Raising funds	-	-	-
Charitable activities	-	-	-
-Education, training and professional development	846,791	1,674	848,465
-Outpatients clinic income	-	-	-
Other	-	-	-
Total expenditure	846,791	1,674	848,465
Net income / expenditure before gains / (losses) on investments	46,009	(1,674)	44,335
Net gains / (losses) on investments	-	-	-
Net income / expenditure	46,009	(1,674)	44,335
Transfers between funds	-	-	-
Net income / (expenditure) before other recognised gains and losses	46,009	(1,674)	44,335
Gains / (losses) on revaluation of fixed assets	-	-	-
Actuarial gains / (losses) on defined benefit pension schemes	-	-	-
Other gains / (losses)	-	-	-
Net movement in funds	46,009	(1,674)	44,335
Total funds brought forward	725,989	-	725,989
Total funds carried forward	771,998	(1,674)	770,324

For the year ended 31 August 2018

3 Income from charitable activities

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Youth Back Project				
Southwark Council	–	2,873	2,873	–
Education, training and professional development				
Funding from Higher Education Funding Council for England	89,013	–	89,013	87,589
Student fees	646,869	–	646,869	608,570
CPD, access courses and other fees	6,048	–	6,048	2,943
Room hire	13,530	–	13,530	14,906
Outpatients clinic income	185,246	–	185,246	178,433
Total income from charitable activities	940,706	2,873	943,579	892,441

4 Income from investments

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Investment income	400	–	400	359
	400	–	400	359

For the year ended 31 August 2018

5 Analysis of expenditure

	Charitable Education, training and professional development £	Support costs £	2018 Total £	2017 Total £
Staff costs (Note 7)	321,495	217,115	538,610	513,996
Project cost				
Youth Back Care Project	1,199	–	1,199	1,674
Direct cost				
Anglia Ruskin University – student fees	111,728	–	111,728	105,160
Anglia Ruskin University expenses	254	–	254	1,506
Student bursaries	28,984	–	28,984	21,673
Teaching aids, slides and books	8,208	–	8,208	5,852
Clinic expenses	4,675	–	4,675	6,147
Support cost				
Rent and service charges	28,582	–	28,582	24,000
Rates	3,944	–	3,944	4,044
Light and heat	15,067	–	15,067	11,307
Insurance	19,770	–	19,770	25,042
Repairs and renewals	24,759	–	24,759	28,374
Cleaning	6,815	–	6,815	2,475
Telephone and fax	7,336	–	7,336	6,464
Depreciation – freehold property	15,875	–	15,875	15,875
Depreciation – Leasehold Improvement Mayfield House	15,152	–	15,152	15,153
Depreciation – leasehold costs and equipment	4,174	–	4,174	4,873
Travel expenses	1,454	–	1,454	541
Printing, postage and stationery	8,368	–	8,368	5,744
Mortgage interest and other charges	30,065	–	30,065	31,936
Bank charges and interest	2,802	2,024	4,826	3,943
Loan interest and other finance charges	2,231	–	2,231	2,692
Bookkeeping and payroll management	–	–	–	–
General expenses	5,415	–	5,415	3,425
Audit fees	–	5,760	5,760	5,100
Membership & subscription	1,418	–	1,418	1,470
Legal and professional fees	1,072	–	1,072	–
	670,842	224,899	895,741	848,465
Support costs	224,899	(224,899)	–	–
Total expenditure 2018	895,741	–	895,741	848,465
Total expenditure 2017	848,465	–	848,465	

The total expenditure £894,572 was unrestricted (2017: £846,791) and £1,199 was restricted (2017: £1,674).

For the year ended 31 August 2018

6 Net incoming resources for the year

This is stated after charging / crediting:

	2018 £	2017 £
Depreciation	35,202	35,901
Operating lease rentals:		
Property	30,000	30,000
Auditors' remuneration (excluding VAT):		
Audit	4,000	4,000

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	481,125	461,962
Social security costs	25,021	23,915
Employer's contribution to defined pension schemes	3,888	2,832
Freelance staff costs	27,772	24,688
Staff training	804	599
	538,610	513,996

No employee earned more than £60,000 during the year (2016: nil).

The total employee benefits including pension and national insurance contributions of the key management personnel were £102,194 (2017: £99,339).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £663 (2017: £251) incurred by 3 members (2017: 2 members) relating to attendance at meetings of the trustees.

8 Staff numbers

As in previous years, all employees are employed on a part-time basis. The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018 No.	2017 No.
Education, training and professional	30.0	39.0
Outpatients clinic	3.0	4.0
Support	10.0	8.0
	43.0	51.0

9 Related party transactions

There are no related party transactions to disclose for 2018 (2017: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

For the year ended 31 August 2018

10 Taxation

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

11 Tangible fixed assets

	Freehold Property £	Leasehold Costs £	Medical Equipment £	Office Equipment £	Total £
Cost					
At the start of the year	1,455,182	151,526	25,961	142,290	1,774,959
Additions in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
At the end of the year	1,455,182	151,526	25,961	142,290	1,774,959
Depreciation					
At the start of the year	85,782	66,845	22,654	135,139	310,420
Charge for the year	15,875	15,153	1,350	2,824	35,202
Eliminated on disposal	-	-	-	-	-
At the end of the year	101,657	81,998	24,004	137,963	345,622
Net book value					
At the end of the year	1,353,525	69,528	1,957	4,327	1,429,337
At the start of the year	1,369,400	84,681	3,307	7,151	1,464,539

The freehold property at 12 Grange Road, London, SE1 3BE (where the School is run), is part funded by a mortgage (see Note 15). The cost above includes the estimated cost of freehold land of £327,000 that is not depreciated.

Leasehold costs relate to the Charity's 10 year lease (starting in April 2013) of Mayfield House, 202b Cambridge Heath Road, London E2 9LJ where its clinic is based.

All of the above assets are used for charitable purposes.

12 Debtors

	2018 £	2017 £
Other debtors	9,355	-
Prepayments	11,247	9,569
Accrued income	7,231	6,924
	27,833	16,493

For the year ended 31 August 2018

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Mortgage repayable in one year (see Note 17)	52,669	50,764
Bank loans	20,100	19,532
Trade creditors	3,473	1,375
Taxation and social security	-	-
HEFCE funding overpaid by Anglia Ruskin University	2,620	-
Student fees due by Anglia Ruskin University	(26,950)	45,903
Other creditors	206	374
Accruals	12,288	23,145
Deferred income	50,677	27,664
	115,083	168,757

14 Deferred income

Deferred income comprises student fees received in advance of £42,799 (2017: £16,914) and the grant from Southwark Council £7,877 (2017: £10,750).

	2018 £	2017 £
Balance at the beginning of the year	16,496	16,496
Amount released to income in the year	(16,496)	(5,746)
Amount deferred in the year	50,677	16,914
Balance at the end of the year	50,677	27,664

15 Creditors: amounts falling due after one year

	2018 £	2017 £
Mortgage (see below)	694,195	746,864
Mortgage related costs	(54,754)	(56,244)
Bank loans	36,881	56,927
	676,322	747,547

The freehold property was part financed by a mortgage repayable over 15 years. The fixed mortgage (with balance outstanding at the year end of £746,864) has interest charged at 3.69% p.a. which is subject to renegotiation in the future.

	2018 £	2017 £
The outstanding balance at the year end was repayable as follows:		
In more than five years	463,076	524,103
Between two and five years	231,119	222,761
Total due after one year	694,195	746,864
Less than one year	52,669	50,764
Total	746,864	797,628

The outstanding mortgage represents 54% of the cost of the property at the year end.

For the year ended 31 August 2018

16 Pension scheme

The charity operates stakeholder pension scheme and has a pension liability of £206 as at the year end.

17 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	749,091	680,246	–	1,429,337
Net current assets	25,547	40,000	–	65,547
Long term liabilities	(676,322)	–	–	(676,322)
Net assets at the end of the year	98,316	720,246	–	818,562

18 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Youth Back Care Project	(1,674)	2,873	(1,199)	–	–
Total restricted funds	(1,674)	2,873	(1,199)	–	–
Unrestricted funds:					
Designated funds:					
Fixed assets fund	610,795	–	(35,201)	104,652	680,246
Building development fund	40,000	–	–	–	40,000
Total designated funds	650,795	–	(35,201)	104,652	720,246
General funds	121,203	941,106	(859,341)	(104,652)	98,316
Total unrestricted funds	771,998	941,106	(894,542)	–	818,562
Total funds	770,324	943,979	(895,741)	–	818,562

Purposes of designated funds

The Fixed assets fund reflects the resources tied up in fixed assets, less outstanding amounts on loans to finance them (the mortgage in Note 15).

The Building development fund has been established to pay for major repairs at 12 Grange Road.

Purposes of restricted funds

Income, which is received for specific projects, as – for example – grants, donations and earned income – is accounted for as restricted funds, with expenditure usually attributed over a specific period of time. We manage restricted funds carefully, keep expenditure under regular review, and aim to keep to the specified budget.

For the year ended 31 August 2018

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

	2018 £	2017 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	48,238	44,335
Depreciation charges	35,202	35,901
Gains/(losses) on investments	-	-
Dividends, interest and rent from investments	-	-
(Loss)/profit on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(11,339)	3,714
Increase/(decrease) in creditors	(56,147)	82,217
Net cash provided by / (used in) operating activities	15,954	166,166

20 Analysis of cash and cash equivalents

	At 1 September 2017 £	Cash flows £	Other changes £	At 31 August 2018 £
Cash in hand	205,595	(52,798)	-	152,797
Total cash and cash equivalents	205,595	(52,798)	-	152,797

21 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases on the leasehold property expiring in April 2023 are as follows:

	Leasehold Property	
	2018 £	2017 £
Less than one year	30,000	30,000
One to five years	108,750	138,750
Over five years	-	-
	138,750	168,750

22 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.