The Counselling Foundation
A Foundation for Personal Growth

Annual Report

2019

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

Emma Branch ACMA, BSc (Hons)

Julian Gell, BSc (Chair)

Mandy Macqueen, BSc (Hons)

Wendy Molefi-Youri BM, MRCGP, DRCOG, DFSRH, MSt. MBCT

Thomas Smith, CA, BA (Hons)

Executive Committee

Robert Cuming

Stephen Anstee

Jo Spilling – from April 2020

Mimie Hollist

Tracy McPhillips

Becci Murtagh

Advisors

Auditors	Mercer & Hole Chartered Accountants and Registered Auditors 72 London Road, St Albans, Hertfordshire, AL1 1NS
Bankers	Barclays Bank plc St Peter's Street, St Albans AL1 3LP
	CAF Bank Limited 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

Offices & Centres

BEDFORD CENTRE
58 Tavistock Street
Bedford
MK40 2RD
01234 346077
bedford@counsellingfoundation.org

BROXBOURNE CENTRE
Bishops College
Churchgate
Cheshunt
Waltham Cross
EN8 9XA
01992 637285
broxbourne@counsellingfoundation.org

LUTON CENTRE
Hilde Eccles House
70-72 Princess Street
Luton
LU1 5AT
01582 732450
luton@counsellingfoundation.org

STEVENAGE CENTRE
166A High Street
Stevenage
SG1 3LL
01438 357775
stevenage@counsellingfoundation.org

ST ALBANS CENTRE
1 College Yard
Lower Dagnall Street
St Albans
AL3 4PA
01727 856693
stalbans@counsellingfoundation.org

FOUNDATION OFFICE & TRAINING CENTRE
1 College Yard
Lower Dagnall Street
St Albans
AL3 4PA
01727 868585
foundation@counsellingfoundation.org
training@counsellingfoundation.org

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

I am pleased to be able to report that over the period of this report The Foundation has improved our financial performance following a difficult 16 months to the end of December 2018 where, as outlined in last year's report, without the strategically driven sale of one of our properties we would have recorded a significant deficit.

Since then and during 2019 we have made significant strides in steadying our financial position whilst at the same time continuing to develop and broaden our services and the geography in which we operate. Above all the quality of what we offer clients and students has continued to be advanced and refined.

This has meant that as we entered the current year and faced the COVID situation, The Foundation has been able to adapt quickly and effectively to the changes we have had to make in how we deliver our services. This has been done with exceptional speed and effectiveness and it has demonstrated the underlying strength of our leadership team and the quality of our staff, counsellors and trainers. As we look toward the end of this year and into 2021, we are confident that we will emerge well positioned, with a number of new possibilities emerging from our experience of this unprecedented situation.

The detail behind this summary of where we are and where I think we can now go is covered in the rest of this report. My message is that despite the challenges we have faced The Foundation is ready and able to continue on our journey as a key community asset.

My sincere thanks go to everyone who works with and for us and to all of our partners and stakeholders.

Julian Gell, Chair

STATEMENT FROM THE CEO

Given the challenges of the previous financial period I set out two financial goals for 2019. The first was to reduce the overall operational deficit that arose mainly as a result of smaller NHS counselling volumes in Herts. We would seek to do this primarily through enhancing training and other income sources. My second financial goal was to achieve break even on an EBITDA basis by the end of 2020.

I am pleased to be able to report that the overall delivery and performance of our services during 2019 proved encouraging and that, as a consequence, my first goal has been met. The key contributing factors have been:

- In our open-ended service we experienced a stable flow of clients accessing our low cost and long-term counselling. We have been able to attract a range of clients during 2019 and this has enabled the Foundation to marginally increase the average fee per session. Whilst this is the case on average, clients are paying a fee for counselling which is on average at a 50% - 60% discount compared with local private practice rates. We therefore continue to meet our core charitable objective in this service

- The NHS AQP service has continued to marginally reduce in volume as a result of both demand and supply constraints that are not necessarily within the control of the Foundation. However, we continue to work well with the Herts commissioning team and hope to see access to NHS funding budgets to increase the number of IAPT counsellors for our Herts contracts

- During 2019 the Herts commissioning team awarded an increase in price from April 2020 for the AQP contracts, which will help us offset volume decline and address our deficit. The existing contracts were extended during 2020 and are being tendered for early 2021

- I am pleased to note the expansion of our NHS contract in Bedfordshire. Separately, we successfully won a contract to deliver counselling for victims of crime across the county, which has since been extended into 2020

- Our training continues to build from strength to strength. Our long-established core psychodynamic courses continue to attract a consistent and solid group of students for professional counsellor training. We are also particularly pleased with the growth of our Introduction to Counselling training course. We delivered over 20 of these during 2019

- Finally, TCF was also able to build our supplemental income through a number of grants, donations and workshops.

As we look towards the end of 2020 and 2021 The Foundation has proved robust throughout the COVID pandemic period. Our team was able to manage change effectively and quickly and

we were able to provide online services across all services by April 2020. This all points to the strength of our operational model, which includes visible and varied sources of income and a limited dependency on private donations and fundraising.

I want to pay special tribute to the teams of staff, counsellors, trustees and trainees that have worked so hard together throughout this difficult time. The collective positivity, perseverance and dedication to the charity have ensured that by summer 2020 most clients continue to access services and despite the disruption of COVID, we have a strong student cohort for 2020/21.

Our most recent financial projections for 2020 are reassuring given the challenges we have faced because of COVID and my original pre-COVID EBTIDA break even ambition is closer in sight than might have been expected earlier this year, which is a credit to our team and our model. The Foundation is well positioned for 2021 and beyond.

Robert Cuming, CEO

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their annual report with the accounts of the Company for the year ended 31 December 2019. 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 affordable, long term counselling which may not be widely available elsewhere in our communities in Hertfordshire and Bedfordshire, contributing to individual wellbeing whilst raising societal awareness and advancing the understanding of mental health. Our counselling training service promotes personal development and growth whilst supporting communities through the provision of further qualified counsellors providing a talking therapy.

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

- **Open-ended counselling**
  Our charitable ethos is to offer counselling at a comparatively accessible cost to those in need and this is a key activity for us for the public benefit. We have our counselling centres in Bedford, Broxbourne, Luton, St Albans and Stevenage.

- **NHS counselling**
  We work under contracts or sub-contracts with the NHS to provide short-term counselling to patients referred by GP surgeries, from across our counselling centres and other locations in Hertfordshire and Bedfordshire.

- **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 provided from our Bedford, Luton and St Albans centres and in London.

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.

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 2019 (year to 31 December 2019)	Number of Counselling sessions delivered 2018 (16 months to 31 December 2018)
Bedford	1,714	2,594
Broxbourne	1,836	2,561
Luton	2,069	2,555
St Albans	3,405	4,161
Stevenage	2,054	3,284
Bereavement	587	-
Open-ended	11,665	15,155
NHS	13,593	23,891
Total	25,258	39,046

The numbers of counselling sessions delivered in 2018 refers to the 16 months ended 31 December 2018. Bereavement sessions were included in the relevant centre data for 2018.

Open ended service

We typically have up to 300 clients in our open-ended counselling service at any one point in time. Whilst we have historically asked clients to pay what they can subject to a minimum charge, we introduced a framework for our charges during 2019, as part of enhancing the financial sustainability of our services.

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. The promotion of national talking therapies under IAPT has encouraged public engagement with these services.

NHS counselling in Hertfordshire

We entered 2018 with a substantially increased IAPT service providing counselling as one of three NHS providers in Hertfordshire. Whereas, by the end of 2017 we were delivering typically 1,500 sessions a month, over 2018 we experienced pressure on the availability of the IAPT trained counsellors that the contract requires, with the result that volumes decreased in the second part of 2018 and into 2019. Our volumes under this contract have been lower during the 2019 than in the comparative period, typically around 950 sessions per month in 2019.

This NHS Hertfordshire contract, which was due for re-tender from April 2020, has been extended now with a tender for early 2021.

NHS counselling in Bedfordshire
We entered into a new contract in 2018 for the delivery of short-term counselling, covering north Bedfordshire. This contract was extended in March 2019 for two years. The previous contract for the NHS in Bedfordshire, for which we were subcontractor, was put out for tender and unfortunately the primary contract was awarded to another organisation, leading to cessation of our sub-contract in the first part of 2018.

Other counselling services
In addition, we provide a number of other counselling services, including an Employee Assistance Programme Service to certain organisations and a shorter-term counselling service to individual clients.

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 gives clients with an interest in counselling an insight. Growth in this area is continuing and has, we anticipate, further potential to do so.

Student numbers	Autumn 2019	Autumn 2018	Autumn 2017
Annual courses:			
Certificate in Psychodynamic Counselling Skills	99	86	91
Diploma in Psychodynamic Counselling	65	67	77
Advanced Diploma in Psychodynamic Counselling	33	32	25
TOTALS	**197**	**185**	**193**

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 identified south east London as an area to explore to develop our training provision. During 2019, we have run 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.

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 very grateful to providers of funds and to the friends of The Foundation who help raise them. In addition, the Foundation generates other sundry income from activities such as room hire, workshops for organisations and interest.

Financial Review

The Foundations' financial accounts are presented for the year ended 31 December 2019. The comparative period is for the 16 month-period ended 31 December 2018, following a change in year end from 31 August to 31 December. As a result, the comparative amounts presented in these accounts (including the related notes) are not entirely comparable with those now being reported upon. The change in year-end was made to better align the annual budget and planning process with the seasonal cycle in our training service and was made under the authority of the Board.

Financial out-turn

The Foundation has reported a modest deficit for the year ended 31 December 2019, of £38.5k, including movement on restricted funds. This is a significant improvement on the larger underlying deficit in the 16-month period ended 31 December 2018 and a reassuring stepping-stone in our progress in developing our financial sustainability.

	Year ended 31 December 2019 Total funds £'000	16 months ended 31 December 2018 Total funds £'000
Donations and grants	40.2	24.2
Training and counselling income	1,491.4	2,017.1
Disposal of property	-	152.7
Other income	14.3	32.2
Total income	1,545.9	2,226.2
Expenditure	(1,584.4)	(2,217.2)
Net surplus, all funds	(38.5)	9.0

During the comparative period in 2018, the Foundation sold its freehold interest in Bates House, Bedford. This disposal generated net proceeds of £343.7k and a surplus of £152.7k on the book carrying value of the property in the Foundation's accounts, contributing significantly to the Foundation's financial liquidity and sustainability and to its overall surplus of £9k for the 16-month period ended 31 December 2018 (including movement on restricted fund) and before which the Foundation incurred an underlying deficit in 2018.

The improvement in underlying results in 2019, compared to 2018, partly reflects the anomalies of comparison with a 16 month previous financial period – which included two seasonally quiet counselling holiday periods in August and December, and the two seasonally quieter periods in Training in which it is too early for registrations for the next training year. Although NHS counselling volumes in 2019 were overall lower compared to the 2018 period, the Foundation benefitted from enhancing Training income, improving operating margins and additional other income.

The restricted fund recorded a surplus of £5.2k for the year ended 31 December 2019 (2018: £12.7k), leaving a £43.7k deficit for 2019 deficit on general funds (£3.7k for the 16 months ended 31 December 2018).

Balance sheet

The Foundation's balance sheet includes tangible fixed assets with a net book value at 31 December 2019 of £450.8k, relating predominantly to freehold and long-leasehold properties. Debtors totaling £160.4k at 31 December 2019 mainly relate to training course fees being settled by instalments. Cash at 31 December 2019 was £495.3k. Creditors (due within one year) of £542.5k at 31 December 2019 include deferred income of £366.0k, the majority in relation to training courses to be released as income over the remainder of the academic year to August 2020. The Foundation has a £30.1k bank loan secured on its leasehold properties. Net assets at 31 December 2019 were £539.9k.

Funds

As at 31 December 2019, the Foundation had total balance sheet funds of £539.9k, down slightly on its funds at the last year end at 31 December 2018 of £578.4k. 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. Designated funds are those that the Trustees elect to earmark for specific purposes. Of the Foundation's total funds, the majority are held as unrestricted:

	31 December 2019 £'000	31 December 2018 £'000
Restricted reserves	151.6	146.4
Unrestricted reserves	388.3	432.0
Total funds	539.9	578.4

The restricted reserves of £151.6k at 31 December 2019 comprise long-standing restricted reserves of £133.7k, raised many years ago to part fund the purchase of some of the Foundation's properties, and £17.9k arising from restricted grant and other income (net of related expenditure to date).

Whist it did not give rise to a legal restriction, the Foundation has previously earmarked £409.1k of its unrestricted funds as funding the Foundation's property fixed assets that are used (or were used, in the case of the Bedford property sold in 2018) in the delivery of its services (to the extent not funded by restricted reserves or the bank loan). These previously designated funds have been transferred to general funds, at 31 December 2019.

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 particular activities and circumstance. The unrestricted funds, which are available to further any of the charity's purposes, stood at £388.3k at 31 December 2018 (£432.0k at 31 December 2018),

which represented approximately 2.9 times the Foundation's average monthly expenditure in the year ended 31 December 2019.

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. Net current assets make up the smaller part of the balance sheet. Accordingly, the Foundation also reviews cash and cash equivalent resources. As stated in previous years, the Foundations' policy has been to seek to retain the equivalent of a minimum of three months of the essential running costs of the organisation in cash. As at 31 December 2019, cash balances stood at £495.3k, of which £82.7k was restricted and £412.6k was unrestricted. These unrestricted cash balances represented 3.1 times the Foundation's average monthly expenditure in the year ended 31 December 2019.

One reason for the Foundation to hold cash balances is to address its seasonal cash flow cycle. Cash balances are typically lowest in the Spring, before the cash inflows in the late Spring and Summer months in the run-up to the new academic training year, as applicants for the training courses register and apply for and accept places. The Board is also conscious that its largest contract, with the NHS Hertfordshire, is subject to renewal in the foreseeable future. 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.

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 since the year end, we worked rapidly over a few weeks to develop a platform to provide our services remotely. Since early April 2020, we have provided remote counselling, by telephone or video counselling, both to the public and under our NHS contacts. In addition, we commenced delivery of our training online as the new term started in April 2020. During subsequent months, we also delivered online our Introduction to Counselling courses and our Open Days for those interested in our training courses.

With our offices closed from March 2020 and remaining largely so for the time being, our staff have been working hard to maintain our services and operations remotely. We will continue to review the options for face to face working, having regard to government guidelines.

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

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 it counselling and training services, and managed its costs

- Whilst the Board is conscious that the Foundation recorded a financial deficit in 2019, the original budget for 2020 was set at breakeven for 2020 and unaudited accounting records in 2020 so far indicate that the Foundation is showing a satisfactory outcome for the year to date

- With the normal Spring seasonal cash low point having now passed for 2020, the Foundation's current cash balances are also satisfactory having regard to previous years' pattern at this time of the year

- Internal financial projections for the remainder of 2020 and for 2021, whilst inevitably subject to the uncertainties inherent in all financial forecasting, provide an encouraging platform on which to develop the organisation

Plans

The Foundation believes that there is ongoing demand in society for its training and counselling services, both currently and in the long term, and views the future positively. Our aim is to continue to deliver our charitable mission to provide counselling and counselling training, whilst enhancing our financial sustainability.

- With our main NHS contract, for Hertfordshire, currently under tender, we are closely evaluating this ongoing opportunity.

- We will continue to improve the structures and processes in our open-ended counselling service and explore ways to enhance the service

- We have been encouraged by our first venture in 2019 into Training in London and appetite for our short-term Introduction to Counselling course and will continue to consider the potential opportunities for developing our training services

- We will continue to monitor the ongoing impact of the COVID-19 environment and

the way in which we deliver our services and organise our operations and will also consider the opportunities that remote delivery capability might bring us

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 the course of 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 of the trustees are volunteers and receive no remuneration or any other benefit.

Those serving as trustees at the date of this report and during 2019 are:

- Emma Branch — Appointed 21st August 2019
- Julian Gell
- Francine Goodrich — Resigned 21 August 2019
- Mandy Macqueen
- Wendy Molefi-Youri — Appointed 21st August 2019
- Philip Needham — Resigned 7th April 2020
- Thomas Smith — Appointed 21st August 2019
- Martin Taylor — Resigned 19th August 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 management responsibility for specific areas, as follows:

- Robert Cuming (CEO)
- Jo Spilling (Clinical) – from April 2020 (was Noel Hargrave until March 2020)

- Tracy McPhillips (Operations)
- Mimie Hollist (Training)
- Becci Murtagh (Marketing)
- Stephen Anstee (Finance)

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, chaired by one of the Trustees. The Board receives regular reports from the Executive, including operational and financial reports. In addition, Trustees attend a number of 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 our financial sustainability.

Remuneration for the year ended 31 December 2019 comprised salary and pension contributions. The total remuneration of the senior management was £198.5k (£239.0k for 16 months ended 31 December 2018). The Foundation generally aims to carry out an annual review of pay, taking into account annual performance appraisals, though deferred doing so in 2019 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.

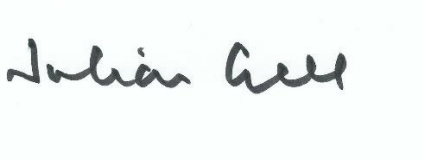
Auditors

Our auditors, Mercer & Hole, have expressed their willingness to continue in that capacity. A resolution proposing their re-appointment for a further year will be put to a General Meeting of the company's Members.

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: 26 October 2020

Report of the Independent Auditors to the Members of the Counselling Foundation for the year ended 31 December 2019

Independent Auditor's Report to the Members of the Counselling Foundation for the year ended 31 December 2019.

Opinion

We have audited the financial statements of The Counselling Foundation (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019, 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 Companies Act 2006.

Report of the Independent Auditors to the Members of the Counselling Foundation for the year ended 31 December 2019 - continued

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a year 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 trustees' 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.

Report of the Independent Auditors to the Members of the Counselling Foundation for the year ended 31 December 2019 - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

Report of the Independent Auditors to the Members of the Counselling Foundation for the year ended 31 December 2019 - continued

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Report of the Independent Auditors to the Members of the Counselling Foundation for the year ended 31 December 2019 - continued

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

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

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

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: 30 October 2020

The Counselling Foundation
Statement of Financial Activities
(Including Income and Expenditure Account)
For the year ended 31 December 2019

	Notes	Unrestricted Funds 2019 £'000	Restricted Funds 2019 £'000	Total Funds 2019 £'000	Total Funds 2018 £'000
Income from:					
Donations and grants	2	12.4	27.8	40.2	24.2
Charitable activities:					
Training and counselling	3	1,482.1	9.3	1,491.4	2,017.1
Surplus on disposal of property	4	-	-	-	152.7
Other income	5	14.3	-	14.3	32.2
Total income		1,508.8	37.1	1,545.9	2,226.2
Expenditure on:					
Charitable activities:					
Training and counselling		1.552.5	31.9	1,584.4	2,215.3
Other		-	-	-	1.9
Total expenditure	6	1,552.5	31.9	1,584.4	2,217.2
Net income for the year/period	7	(43.7)	5.2	(38.5)	9.0
Transfers between funds		-	-	-	-
Net Movement in Funds		(43.7)	5.2	(38.5)	9.0
Funds at start of year/period		432.0	146.4	578.4	569.4
Funds at end of year/period		388.3	151.6	539.9	578.4

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

The Counselling Foundation
Balance Sheet
As at 31st December 2019

	Notes	31 December 2019 £'000	£'000	31 December 2018 £'000	£'000
Fixed Assets					
Tangible assets	10		450.8		464.3
Current assets					
Debtors	11	160.4		235.6	
Cash at bank and in hand		495.3		337.9	
		655.7		573.5	
Liabilities					
Creditors: amounts falling due within one year	12	(542.5)		(428.5)	
Net current assets			113.2		145.0
Total assets less current liabilities			564.0		609.3
Creditors: amounts falling due after more than one year	13		(24.1)		(30.9)
Net assets			539.9		578.4
Funds of the charity					
Restricted funds			151.6		146.4
Unrestricted funds					
Designated funds			-		409.1
General fund			388.3		22.9
Total charity funds	14&15		539.9		578.4

On behalf of the Board, which approved the accounts on 26 October 2020

Julian Gell, Director

Date 26 October 2020
Company Number: 02713806

The Counselling Foundation
Cash Flow Statement
For the year ended 31 December 2019

	Note	£'000	2019 £'000	£'000	2018 £'000
Cash flows from Operating Activities	A		168.9		(159.9)
Cash flows from Investing Activities					
Interest income		1.1		9.5	
Payments to acquire tangible assets		(5.8)		(10.9)	
Proceeds from sale of property		-		343.7	
Cash from/used in Investing Activities			(4.7)		342.3
Cash flows from Financing Activities					
Movement in borrowing		(6.8)		(17.9)	
Cash used in Financing Activities			(6.8)		(17.9)
Change in cash and cash equivalents in the year/period			157.4		164.5
Cash and cash equivalents at the beginning of the year/period			337.9		173.4
Cash and cash equivalents at the end of the year/period			495.3		337.9

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

General reserves	412.6	145.7
Designated reserves	-	118.6
Restricted reserves	82.7	73.6
Cash and cash equivalents at the end of the year/period	495.3	337.9

The Counselling Foundation
Cash Flow Statement
For the year ended 31 December 2019

NOTE TO THE CASH FLOW STATEMENT

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

	Note	£'000	2019 £'000	£'000	2018 £'000
Net movement in funds, as shown in Statement of Financial Activities			(38.5)		9.0
Non-operating cash flows eliminated:					
Depreciation charge		19.2		26.1	
Interest income		(1.1)		(9.5)	
Surplus on sale of property		-		(152.7)	
			18.1		(136.1)
Decrease/(increase) in debtors			75.3		55.4
(Decrease)/increase in creditors			114.0		(88.2)
Net cash (absorbed)/generated by operating activities			168.9		(159.9)

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

1. Accounting policies

(a) The financial statements for the year ended 31 December 2019 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. The total amount receivable for training services for courses that cover an academic year is recognised in debtors on registration and acceptance for the course and payment of the registration fee and the deposit. At this point, the registration fee and a minority element of the overall fees for the training courses are 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. Income from short-term training courses is recognised on delivery of the training. The Foundation provides the option to settle training fees for the longer courses by instalments linked to the length of the course (less than 12 months). In addition, income generated from training placements is recognised over the period of the placement.

(e) 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.

(f) Income from investments and other income is included when receivable.

(g) Expenditure is recognised in the year in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

(h) Expenditure is allocated to the particular activity where the cost relates directly to that activity. Combined, shared and support costs are apportioned for staff costs by reference to management estimates of where time is spent or attributable and for other costs generally based 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.

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

1.Accounting policies (continued)

(i) Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

(j) 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

(k) 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 high 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.

(l) 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.

(m) 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.

(n) 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) 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.

(p) 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 the carrying value plus accrued interest less repayments. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

(q) 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.

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

(r) Designated funds are unrestricted funds that have been earmarked by the directors for particular purposes.

(s) 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.

(t) 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 2020 and 2021 and management accounts in the current year to date.

2. Donations and grants

	2019			2018
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Donations	12.4	11.8	24.2	10.2
Grants	-	16.0	16.0	14.0
	12.4	27.8	40.2	24.2

During 2019, the Foundation was granted £41k for support for victims of crime in Bedfordshire, part of which was delivered in 2019 with the remainder to be delivered in 2020.

3. Income from charitable activities

	2019			2018
	Unrestricted £'000	Restricted £'000	Total £'000	Total £'000
Counselling income	847.7	9.3	857.0	1,302.9
Training income	634.4	-	634.4	714.2
	1,482.1	9.3	1,491.4	2,017.1

4. Surplus on disposal of property

During the 16-month period ended 31 December 2018, the Foundation sold its freehold interest in a property in Bedford. This disposal generated net proceeds of £343.7k and a surplus of £152.7k on the carrying value of the property in the Foundation's accounts. The carrying value of this property in the Foundation's accounts of £190.9k had been funded by £54.4k of restricted funds and accordingly £54.4k of the proceeds of the sale were recognised in the balance sheet at 31 December 2018 as restricted cash, the application of which is to be determined in due course.

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

5. Other income

	Unrestricted £'000	Restricted £'000	2019 Total £'000	2018 Total £'000
Rents received	3.3	-	3.3	5.7
Miscellaneous income	9.9	-	9.9	17.0
Investment and interest income	1.1	-	1.1	9.5
	14.3	-	14.3	32.2

6. Total expenditure

	2019 Counselling £'000	2019 Training £'000	2019 Other £'000	2019 Total £'000	2018 Total £'000
Staff and similar costs	455.7	366.0		821.7	1,047.0
Counselling costs	418.3	-		418.3	736.3
Premises	110.6	40.6		151.2	192.5
General expenses	26.9	15.5		42.4	55.8
Training costs	-	36.3		36.3	30.0
Depreciation	12.0	7.2		19.2	26.1
Communications	9.1	5.1		14.2	22.3
Advertising	0.5	12.3		12.8	9.4
Travel	8.2	3.4		11.6	15.6
Consultancy	6.8	4.4		11.2	24.8
Post & stationary	6.4	4.9		11.3	19.2
Bad & doubtful debts	0.8	10.7		11.5	11.6
Insurance	4.9	2.2		7.1	9.6
Bank charges	5.1	3.6		8.7	8.6
Audit fees	2.8	1.7		4.5	5.8
Interest	0.6	0.4		1.0	1.9
Subscriptions	0.2	1.2		1.4	0.7
	1,068.9	515.5		1,584.4	2,217.2
Direct costs	735.0	307.7		1,042.7	1,363.7
Support costs allocated and apportioned	333.9	207.8		541.7	853.5
	1,068.9	515.5		1,584.4	2,217.2

The governance costs incurred by the Foundation relate to audit plus trustee indemnity and directors' liability insurance. Audit and related charges were £4.5k for the year ended 31 December 2019 (£5.8k for the 16-month period ended 31 December 2018). The cost of the Foundation's insurance cover (which includes wider business insurance as well as trustee indemnity and directors' liability cover) was £7.1k for the year ended 31 December 2019 (£9.6k for the 16-month period ended 31 December 2018. These audit and wider insurance costs total £11.6k for the year ended 31 December 2019 (£15.4k for the 16-month period ended 31 December 2018.

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

The split of expenditure for previous years is shown below.

	2018				2017
	Counselling £'000	Training £'000	Other £'000	Total £'000	Total £'000
Staff and similar costs	553.6	490.6	2.8	1,047.0	695.4
Counselling costs	736.3	-		736.3	532.5
Training direct costs	-	30.0		30.0	35.5
Premises	158.9	33.6		192.5	85.2
Mortgage interest	-	-	1.9	1.9	(1.4)
Communications	16.4	5.9		22.3	14.8
Audit fees	3.7	2.1		5.8	5.9
Consultancy	16.3	8.5		24.8	18.2
General expenses	34.9	20.9		55.8	32.4
Depreciation	16.9	9.2		26.1	16.3
Bank charges	4.8	3.8		8.6	5.8
Advertising	5.8	3.6		9.4	16.8
Travel	9.7	5.9		15.6	9.0
Post & stationery	12.9	6.3		19.2	11.7
Subscriptions	0.3	0.4		0.7	0.9
Insurance	6.4	3.2		9.6	6.5
Bad debts	-	11.6		11.6	6.1
	1,576.9	635.6	4.7	2,217.2	1,491.6
Direct costs	1,051.1	307.9	4.7	1,363.7	
Support costs allocated and apportioned	525.8	327.7		853.5	
	1,576.9	635.6	4.7	2,217.2	

7. Net income for the year/period

Net income for the year/period is stated after charging:	2019 £'000	2018 £'000
Interest payable	1.0	1.9
Depreciation	19.2	26.1
Auditors' remuneration for audit services	4.5	5.8
Operating lease commitments	94.3	101.4

In addition, £3k was paid to the auditors in the 16-month period ended 31 December 2018 in relation to non-audit services.

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

8. Staff costs and numbers

Staff costs were as follows:	2019 £'000	2018 £'000
Wages and salaries – management, finance and administration, counselling and training including National Insurance	725.4	921.9
Social security costs – management, finance and administration, counselling and training.	41.5	57.2
Pension contributions – management, finance and administration, counselling and training	13.3	9.8
Temporary administration staff costs	8.3	16.3
Total staff costs	788.5	1,005.2

The number of employees whose emoluments exceeded £60,000 is stated below:	2019	2018
£60,001 - £70,000	-	1

No trustee received any remuneration or pension contributions or received any other benefits of an employment. Trustee expenses of £86 (2018: £386) 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/period was:	2019 Number	2018 Number
Management	6	6
Counselling and training staff	39	38
Administration and support	16	16
	61	60

The average weekly number of full-time equivalent employees during the year/period, calculated on the basis of full-time equivalents was as follows:	2019 Number	2018 Number
Management	4	5
Counselling and training staff	8	9
Administration and support	11	11
	23	25

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

8. Staff costs and numbers continued

Management remuneration was as follows:	2019 £'000	2018 £'000
Management remuneration	198.5	239.0

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 2018	88.3	318.4	119.8	526.5
Additions	-	-	5.7	5.7
Disposals	-	-	-	-
At 31 December 2019	88.3	318.4	125.5	532.2
Depreciation				
At 31 December 2018	-	-	62.2	62.2
Charge for the year	-	-	19.2	19.2
Eliminated on disposals	-	-	-	-
At 31 December 2019	-	-	81.4	81.4
Net Book Value				
At 31 December 2019	88.3	318.4	44.1	450.8
At 31 December 2018	88.3	318.4	57.6	464.3

The long leasehold properties, with a net book value at 31 December 2019 of £318.4k, are subject to security in relation to a bank loan of £30.1k at 31 December 2019.

As noted under Accounting policies, 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 £190.0k, compared to their net book value of £406.7k at which they are included in Tangible fixed assets.

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

11. Debtors

	2019 £'000	2018 £'000
Prepayments & Accrued Income	6.9	13.0
Other debtors	153.5	222.6
	160.4	235.6

12. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Bank loan	6.0	6.0
Trade creditors	118.9	107.1
Accruals	37.8	19.6
Deferred income	366.0	295.8
Social security	13.8	0
	542.5	428.5

All income deferred at the previous year end at 31 December 2018 was released during the year ended 31 December 2019. All income that was deferred as at the 31 December 2019 was deferred during the year then ended and has been or is expected to be released in the year to December 2020.

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

	2019 £'000	2018 £'000
Bank loan	24.1	30.9

Analysis of bank loan:

Amounts payable by instalments:		
Between one and two years	6.0	6.0
Between two and five years	18.1	18.1
In five or more years	-	6.8
	24.1	30.9

In addition, there is an amount of £6.0k in relation to this bank loan that is included in Creditors: amounts falling due within one year. The total bank loan of £30.1k is secured on the long leasehold properties of the Foundation and at 31st December 2019 represented 9% 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 Foundation has an overdraft facility of £60k available which is repayable on demand and which was unutilised at the year end.

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

14. Analysis of net assets between funds

	Unrestricted General Funds £'000	Unrestricted Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
Tangible fixed assets	371.5	-	79.3	450.8
Current assets				
Debtors	160.4	-	-	160.4
Cash	412.6	-	82.7	495.3
Current liabilities	(532.1)	-	(10.4)	(542.5)
Long term liabilities	(24.1)	-		(24.1)
Net assets at 31 December 2019	388.3	-	151.6	539.9

15. Movement in funds

	At 31 December 2018 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	At 31 December 2019 £'000
Restricted funds:					
Freehold Property	13.6	-	-	-	13.6
Leasehold Property	65.7	-	-	-	65.7
Financial	54.4	-	-	-	54.4
Grants and other	12.7	37.1	(31.9)	-	17.9
Total restricted funds	146.4	37.1	(31.9)	-	151.6
Unrestricted funds:					
Designated funds					
Property	272.6	-	-	(272.6)	-
Financial	136.5	-	-	(136.5)	-
Total designated funds	409.1	-	-	(409.1)	-
General fund	22.9	1,508.8	(1,552.5)	409.1	388.3
Total funds	578.4	1,545.9	(1,584.4)	-	539.9

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

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. Following the sale of one of the Foundation's properties in the 16-month period ended 31 December 2018, to which £54k of the restricted funds related, an amount of £54k has been transferred to cash, the application of which is to be determined in due course.

Unrestricted funds:

Designated Fund

Freehold and leasehold properties were purchased with funds, some of which were restricted, and some were not. The designated fund comprised unrestricted funds invested in property and consequently, though not legally restricted, not earmarked by the Foundation as available for general purposes. The properties are used for delivering the Foundation's services. Following the sale of one of the Foundation's properties in the 16-month period ended 31 December 2018, to which £136k of the designated property funds related, an amount of £136k was retained in designated funds, held in cash as a financial reserve. As at 31 December 2019 the designated funds have been transferred to the General Fund.

General Fund

This is donations and other 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 2019 the charity had commitments under operating leases as set out below:

	Land and buildings		Equipment	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Operating lease payments due in less than one year:	79.5	87.5	5.2	9.4
Operating lease payments due in the second to fifth year:	64.2	93.0	17.6	12.2
	143.7	180.5	22.8	21.6

18. Related party transactions

There have been no related party transactions in the year.

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

19. Comparative funds

	Unrestricted Funds 2018 £'000	Restricted Funds 2018 £'000	Total Funds 2018 £'000
Income from:			
Donations and grants	8.7	15.5	24.2
Charitable activities:			
Training and counselling	2,017.1	-	2,017.1
Surplus on disposal of property	152.7	-	152.7
Other income	32.2	-	32.2
Total income	2,210.7	15.5	2,226.2
Expenditure on:			
Charitable activities:			
Training and counselling	2,212.5	2.8	2,215.3
Other	1.9	-	1.9
Total expenditure	2,214.4	2.8	2,217.2
Net income for the year	(3.7)	12.7	9.0
Transfers between funds	-	-	-
Net Movement in Funds	(3.7)	12.7	9.0
Total Funds at 1 September 2017	435.7	133.7	569.4
Total Funds at 31 December 2018	432.0	146.4	578.4

The Counselling Foundation
Notes to the Financial Statements

FOR THE YEAR ENDED 31ST DECEMBER 2019

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 2018, 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.