

The Counselling Foundation

Annual Report and Accounts 2022

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)

The Counselling Foundation

The Counselling Foundation provides counselling training and counselling, seeking to promote positive mental health. It has been working to support its communities since 1974. It works with people to prepare for a career in counselling and by offering counselling support. It operates remotely and face-to-face based from locations in Hertfordshire and Bedfordshire.

Further information can be found on: www.counsellingfoundation.org

BEDFORD

58 Tavistock Street
Bedford
MK40 2RD
bedford@counsellingfoundation.org

BROXBOURNE

Bishops College
Churchgate
Cheshunt
Waltham Cross
EN8 9XA
broxbourne@counsellingfoundation.org

LUTON

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

STEVENAGE

Springfield House Community Centre
24 High Street Stevenage
SG1 3EJ
stevenage@counsellingfoundation.org

ST ALBANS

1 College Yard
Lower Dagnall Street
St Albans
AL3 4PA
stalbands@counsellingfoundation.org

FOUNDATION OFFICE & TRAINING

1 College Yard
Lower Dagnall Street
St Albans
AL3 4PA
foundation@counsellingfoundation.org
training@counsellingfoundation.org

The Counselling Foundation is referred to in this document as the Company or the Foundation.

Trustees

Antony Cates (Chair)

Frances Bogie

Richard Clarke – from 22 February 2023

Sue Murphy

Mandy Macqueen

Wendy Molefi-Youri

Sean Richardson – from 22 February 2023

Executive

Jo Spilling – Clinical and, from 1 July 2023, interim co-CEO

Stephen Anstee – Finance and, from 1 July 2023, interim co-CEO

Karen Carter - Training

Tracy McPhillips – Marketing

Advisors

Auditors Mercer & Hole LLP
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

TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report with the accounts of the Company for the year ended 31 December 2022. 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 objectives, the Foundation provides counselling in its communities in Hertfordshire and Bedfordshire, including subsidised counselling. In addition, the Foundation's counselling training promotes personal development and growth whilst supporting the community through the training of counsellors qualified to provide a talking therapy. As well as contributing to individuals' wellbeing and providing trained counsellors, the Foundation's activities are intended to promote and enhance awareness of mental health.

During the year, the Foundation met its objectives primarily through the provision of the following main activities:

- **Charitable Counselling**

Our charitable ethos is to offer counselling including at a subsidised cost where possible and this is a key activity for us for the public benefit. We provide face-to-face counselling from locations in Bedford, Broxbourne, Luton, St Albans and Stevenage, plus remote delivery of counselling using video technology or telephone. We can provide counselling on a long-term basis where appropriate.

- **NHS and other Counselling**

We work under contracts or sub-contracts with the NHS and other bodies to provide short-term counselling to patients or referrals, both face to face from our locations in Hertfordshire and Bedfordshire and remotely.

- **Training**

We offer training courses to people who wish to become professionally qualified in counselling. These courses cover a 5-year programme, running from one year Certificate to a two-year Diploma and a two-year Advanced Diploma. A key feature of our training is the opportunity for trainees to access supervised placements in-house in our counselling centres, which enables trainee counsellors to acquire the client hours necessary for their counselling qualifications. Training is mainly organised from our St Albans and Bedford centres and has been delivered in a combination of remote and face to face delivery.

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

Achievement and Performance

Counselling

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

| | Number of Counselling sessions delivered 2022 | Number of Counselling sessions delivered 2021 |
|---------------------------|--|--|
| Charitable Counselling | 10,810 | 10,922 |
| NHS and other Counselling | 12,106 | 11,375 |
| Total Counselling | 22,916 | 22,297 |

Charitable counselling

During 2022, the Foundation built up its client numbers in its charitable counselling service to around the level that it used to typically have prior to Covid, many at subsidised rates. The Foundation continued to make available, subject to availability, a limited number of subsidised counselling places, resulting in an easing of average fee levels in 2022.

NHS and other Counselling

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

Although the number of providers has increased, the Foundation maintained its volumes on NHS work in Hertfordshire in 2022. The arrangements for the delivery by the Foundation of short-term counselling for the NHS in Bedfordshire were extended again on a short-term basis to the end of 2023 after which they are soon expected to lapse.

In addition, the Foundation provides a number of other counselling services, including support for victims of crime and domestic and sexual abuse in Bedfordshire. It also provided counselling services in partnership with other local charities.

Training

The Foundation provides a programme of counselling training courses based on the academic year from September – starting with the one-year Certificate and progressing through the two-year Diploma and two-year Advanced Diploma. The Training service provides some continuity, with a proportion of trainees usually continuing from one course to the next.

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In addition, the Foundation provides short term Introduction to Counselling courses, intended to provide an insight for attendees with an interest in counselling.

| Student numbers | Autumn 2022 | Autumn 2021 | Autumn 2020 | Autumn 2019 | Autumn 2018 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Annual courses: | | | | | |
| Certificate | 50 | 99 | 101 | 99 | 86 |
| Diploma | 68 | 65 | 67 | 65 | 67 |
| Advanced Diploma | 34 | 32 | 32 | 33 | 32 |
| Totals | 152 | 196 | 200 | 197 | 185 |

Income from Training comprises principally fees for each course and for training placements. For the 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.

Although the student numbers have been relatively stable over a period of years, the number of students joining the first year Certificate course in September 2022 and currently expected to do so for September 2023 is lower than historically, partly a function of an evolving training market in the cost-of-living crisis environment. Similarly, demand for our short courses has eased from the success of their remote delivery during the Covid restrictions.

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. It thereby fulfils the charity mission of providing education and helps in raising awareness and knowledge of mental health. Our trainees undertake supervised placements in our counselling service - supporting charitable counselling clients while building their professional skills. During 2022, we were able to introduce a bursary scheme for a limited number of places on the Training courses.

Donations, Grants and other income

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

Operations

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As we emerged from the Covid restrictions, the Foundation identified that repair, maintenance and refurbishment was required at its St Albans property and in particular at its Luton property. In 2022 and early 2023, the Foundation undertook a programme of repair and maintenance work at both sites.

During 2022, we extended the process of enhancing our technology infrastructure to help the Foundation to better operate in today's environment. We have invested in IT infrastructure and, with the assistance of volunteers to whom we are very grateful, continue to develop database and app technology to support our counselling services.

Financial

Financial out-turn

The Foundation reported net income for the year ended 31 December 2022. Following the significant underlying deficit in the 2018 period and the deficit in 2019, this 2022 net income built on the net income reported in 2020 and 2021 as a continuing progression in enhancing our financial sustainability.

| | <i>Year ended 31 December 2022 £'000</i> | <i>Year ended 31 December 2021 £'000</i> |
|---------------------------------|---|---|
| Donations and grants | 74.0 | 56.5 |
| Training and counselling income | 1,613.5 | 1,649.1 |
| Other income | 21.3 | 4.7 |
| Total income | 1,708.8 | 1,710.3 |
| Expenditure | (1,561.3) | (1,493.7) |
| Net income, all funds | 147.5 | 216.6 |

Although lower entry student numbers reduced our training income in 2022, we were successful in enhancing our counselling volumes and our donations, grants and other income. Expenditure in 2022 was higher than in 2021 mainly as a result of higher staff costs, IT improvements and property works.

Balance sheet

The Foundation's balance sheet includes tangible fixed assets with a net book value at 31 December 2022 of £406.7k, relating to freehold and long-leasehold properties. Debtors totaling £242.5k at 31 December 2022 mainly relate to training course fees being settled by instalments and amounts due in relation to counselling. At 31 December 2022, cash was £1,081.6k mostly held on short term deposits. Creditors (due within one year) of £728.9k at 31 December 2022 include deferred income of £560.4k, the majority in relation to training courses to be released as income over the remainder of the academic year. The Foundation had £57.4k in bank loans at 31 December 2022 (part of which is included in Creditors due within one year). Net assets at 31 December 2022 were £959.0k.

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Funds

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

| | 31 December 2022 £'000 | 31 December 2021 £'000 |
|----------------------------|---|---|
| Restricted reserves | 143.0 | 162.4 |
| Unrestricted reserves | | |
| Designated funds | | |
| - Training activities fund | 160.3 | 93.0 |
| - Other | - | 180.0 |
| Total designated funds | 160.3 | 273.0 |
| General funds | 655.7 | 376.1 |
| Unrestricted reserves | 816.0 | 649.1 |
| Total funds | 959.0 | 811.5 |

The restricted reserves comprise long-standing restricted reserves of £133.7k, arising many years ago to part fund the purchase of some of the Foundation's properties (of which £54.4k is currently held in cash), and £9.3k arising from restricted grant and other income (net of related expenditure to date).

The Foundation has earmarked designated funds for the continuation and improvement of its training activities. Following the recent maintenance and refurbishment work at the Foundation's St Albans and Luton Centres, the fund previously designated for this purpose has been released, as has the general designated property fund previously set up for which there is currently no specific intended application.

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

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157 leading charities reporting that they held on average 4 months expenditure in reserves. At 31 December 2022, the Foundation held 7.4 months' average 2022 expenditure in total reserves and 6.3 months' average 2022 expenditure in unrestricted reserves. However, a substantial proportion of the Foundation's assets are held in the form of owned property, used in the delivery of the Foundation's services, and therefore not readily realisable to fund any financial requirements particularly in the short-term. Whilst the Foundation holds cash and deposit balances to fund its short-term requirements and seasonal training related cash flow cycle, these balances also include amounts received in advance as deferred revenue to be released over the subsequent year and are not therefore all necessarily an indicator of surplus funds. The Foundation's reserves policy therefore focusses on its reserves after eliminating those represented by property assets. These adjusted reserves represented 4.2 months' average 2022 expenditure based on total reserves and 3.8 months' average 2022 expenditure based on unrestricted reserves.

| | <i>Total £'000</i> | <i>Unrestricted £'000</i> |
|--|-------------------------------|--------------------------------------|
| Reserves | 959.0 | 816.0 |
| Less Property assets funded by reserves | -406.7 | -327.4 |
| Adjusted reserves | 552.3 | 488.6 |
| Average 2022 monthly expenditure | 130.1 | 130.1 |
| Number of months expenditure held in adjusted reserves | 4.2 | 3.8 |

Although the Foundation considers that its financial reserves are adequate for the time being, its reserves policy is to continue the work of the recent years to further enhance its financial resilience, targeting in the long-term 6 months' expenditure in non-property related reserves. Although it may not be possible every year to enhance financial reserves, particularly in a challenging economic climate, the Foundation aims to achieve its targets by continuing, where possible to do so, to manage its financial affairs effectively over the long term.

Investment policy

The Foundation's policy regarding its cash resources, is to hold funds in cash and deposits rather than in equities or other investments, on the basis that while it may be forsaking investment potential, this is more than outweighed by avoiding taking equity investment risk with funds that it would not wish to lose. The Foundation seeks to hold funds on deposit on notice periods that take suitable account of the need for availability of funds.

Outlook and Plans

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Although the Foundation has been able to steadily build its financial reserves from their level of 5 years ago, it faces challenges. The recent inflationary and challenging cost-of living environment have impacted student numbers, on both our core and short-term courses, and might continue to do so and in turn over time impact our counsellor capacity to deliver counselling services, and NHS related counselling work in Bedfordshire is expected to lapse at the end of 2023 or early 2024. The Foundation therefore continues to evolve its services, seek opportunities and manage costs.

The Foundation believes that its training and counselling services can continue to contribute to its communities. It aims to continue to deliver its charitable mission to provide counselling and counselling training and promote better mental health, whilst seeking to manage and, where practical having regard to its charitable objectives, enhance its financial sustainability.

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 recorded net income in each of the last three financial years and unaudited accounting records in 2023 so far indicate that the Foundation has recorded a satisfactory financial outcome for the first half of 2023
- The Foundation's current cash balances are also satisfactory having regard to previous years' patterns and its current working capital requirements
- Although there may be financial challenges in the years ahead, the Foundation has built up financial reserves over the last three completed financial years that provide some financial buffer.

Structure, Governance and Management

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

The Memorandum and Articles of Association were replaced during 2018 by new Articles which are simplified and comply 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

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

Those serving as trustees at the date of this report and during 2022 are:

Antony Cates

Mandy Macqueen

Wendy Molefi-Youri

Sue Murphy

Frances Bogie

Richard Clarke

Appointed 22 February 2023

Sean Richardson

Appointed 22 February 2023

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

The Board delegates management of the Foundation to the Chief Executives, who are supported by members of staff including those in specific areas as set out below. The Chief Executive during the 2022 financial year, Emma Branch, resigned with effect from 30 June 2023. The Board has appointed Jo Spilling, the Clinical Director, and Stephen Anstee, the Head of Finance, as co-Chief Executive Officers on an interim basis with effect from 1 July 2023.

- Jo Spilling – Clinical and, from 1 July 2023, interim co-CEO
- Stephen Anstee – Finance and, from 1 July 2023, interim co-CEO
- Emma Branch- CEO until 30 June 2023
- Karen Carter - Training
- Tracy McPhillips – Marketing (was Operations)
- Mark Graham - IT and Digital until 9 June 2023

Board meetings are usually held every two months and are attended by the co-Chief Executives and from time-to-time other members of staff as deemed appropriate by the Board. In addition, a Trustee regularly attends management meetings regarding clinical matters. The Board receives regular reports from the Executive, including operational and financial reports. In addition, Trustees may attend other meetings during the year where appropriate.

During 2023, the Board is in the process of setting up committees of the Board: a Finance and Operations Committee; a Clinical and Training committee; and a Nominations committee. These committees will each comprise a number of Trustees and are intended to each meet a

few times a year.

Remuneration of management

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

Remuneration for the year ended 31 December 2022 comprised salary and pension contributions. The total remuneration of the senior management was £239.5k (£224.9k for year ended 31 December 2021). The Foundation generally aims to carry out an annual review of pay, taking into account annual performance appraisals. 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 eligible 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 reviewed the major risks to which the Foundation may be exposed and is taking reasonable steps to establish systems, actions or factors to mitigate those risks. The Foundation maintains and regularly reviews a log of key risks. This includes operational, financial, people and clinical risks, as appropriate. 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

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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

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement.

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

DocuSigned by:

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Antony Cates, Chair

Date: 25 September 2023

Report of the Independent Auditors to the Members of The Counselling Foundation for the year ended 31 December 2022

Independent Auditor's Report to the Trustees of The Counselling Foundation for the year ended 31 December 2022

Opinion

We have audited the financial statements of The Counselling Foundation (the 'charity') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Report of the Independent Auditors to the Members of The Counselling Foundation for the year ended 31 December 2022 - continued

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Report of the Independent Auditors to the Members of The Counselling Foundation for the year ended 31 December 2022 - continued

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 11-12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

Report of the Independent Auditors to the Members of The Counselling Foundation for the year ended 31 December 2022 - continued

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

Audit procedures performed by the engagement team included:

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

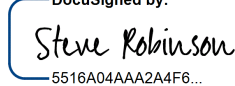
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed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

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

Report of the Independent Auditors to the Members of The
Counselling Foundation for the year ended 31 December 2022 -
continued

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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

Date: 25 September 2023

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The Counselling Foundation
Statement of Financial Activities (including Income and Expenditure Account)
For the year ended 31 December 2022

| | Notes | Unrestricted funds 2022 £'000 | Restricted Funds 2022 £'000 | Total Funds 2022 £'000 | Total Funds 2021 £'000 |
|--------------------------------|-------|--|--------------------------------------|---------------------------------|---------------------------------|
| Income from: | | | | | |
| Donations and grants | 2 | 12.7 | 61.3 | 74.0 | 56.5 |
| Charitable activities: | | | | | |
| Training and counselling | 3 | 1,526.3 | 87.2 | 1,613.5 | 1,649.1 |
| Other income | 4 | 21.3 | - | 21.3 | 4.7 |
| Total income | | 1,560.3 | 148.5 | 1,708.8 | 1,710.3 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| Training and counselling | | 1,406.5 | 154.8 | 1,561.3 | 1,493.7 |
| Total expenditure | 5 | 1,406.5 | 154.8 | 1,561.3 | 1,493.7 |
| Net income for the year | 6 | 153.8 | (6.3) | 147.5 | 216.6 |
| Transfers between funds | | 13.1 | (13.1) | - | - |
| Net Movement in Funds | | 166.9 | (19.4) | 147.5 | 216.6 |
| Funds at start of year | | 649.1 | 162.4 | 811.5 | 594.9 |
| Funds at end of year | | 816.0 | 143.0 | 959.0 | 811.5 |

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

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The Counselling Foundation Balance Sheet At 31 December 2022

| | Notes | 31 December 2022 | | 31 December 2021 | |
|--|-------|------------------|---------|------------------|--------|
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed Assets | | | | | |
| Tangible assets | 9 | | 406.7 | | 406.7 |
| Current assets | | | | | |
| Debtors | 10 | 242.5 | | 153.0 | |
| Cash at bank and in hand | 11 | 1,081.6 | | 1075.1 | |
| | | 1,324.1 | | 1,228.1 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 12 | (728.9) | | (766.0) | |
| Net current assets | | | 595.2 | | 462.1 |
| Total assets less current liabilities | | | 1,001.9 | | 868.8 |
| Creditors: amounts falling due after more than one year | 13 | | (42.9) | | (57.3) |
| Net assets | | | 959.0 | | 811.5 |
| Funds of the charity | | | | | |
| Restricted funds | | | 143.0 | | 162.4 |
| General funds | | 655.7 | | 376.1 | |
| Designated funds | | 160.3 | | 273.0 | |
| Unrestricted funds | | | 816.0 | | 649.1 |
| Total charity funds | 14&15 | | 959.0 | | 811.5 |

On behalf of the Board, which approved the accounts on 25 September 2023

DocuSigned by:

 332BD29188A8442...
 Stephen Anstee, Interim co-CEO

DocuSigned by:

 5EDD44D7F6894F9...
 Antony Cates, Director

Date 25 September 2023
 Company Number: 02713806

2022 Annual Report and
Accounts

The Counselling Foundation
Cash Flow Statement
For the year ended 31 December 2022

| | Note | 2022 £'000 | 2021 £'000 |
|--|------|---------------|---------------|
| Cash flows from Operating Activities | A | 14.8 | 318.9 |
| Cash flows from Investing Activities | | | |
| Interest income | | 3.1 | 0.3 |
| Cash from/used in Investing Activities | | 3.1 | 0.3 |
| Cash flows from Financing Activities | | | |
| New borrowing | | - | 50.0 |
| Repayment of borrowing | | (11.4) | (5.7) |
| Cash from/used in Financing Activities | | (11.4) | 44.3 |
| Change in cash and cash equivalents in the year | | 6.5 | 363.5 |
| Cash and cash equivalents at the beginning of the year | | 1,075.1 | 711.6 |
| Cash and cash equivalents at the end of the year | | 1,081.6 | 1,075.1 |
| Of the cash and cash equivalents at 31 December, the following amounts are held in the following of the charity's funds: | | | |
| Restricted reserves | | 185.7 | 138.7 |
| Unrestricted funds | | | |
| General funds | | 735.6 | 663.4 |
| Designated funds | | 160.3 | 273.0 |
| Cash and cash equivalents at the end of the year | | 1,081.6 | 1,075.1 |

2022 Annual Report and
Accounts

The Counselling Foundation
Cash Flow Statement
For the year ended 31 December 2022

NOTE TO THE CASH FLOW STATEMENT

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

| | 2022 | | 2021 |
|---|--------|-------|-------|
| | £'000 | £'000 | £'000 |
| Net movement in funds, as shown in Statement of Financial Activities | 147.5 | | 216.6 |
| Non-operating cash flows eliminated: | | | |
| Depreciation charge | - | 27.1 | |
| Interest income | (3.1) | (0.3) | |
| | (3.1) | | 26.8 |
| Decrease/(increase) in debtors | (89.5) | | 53.9 |
| (Decrease)/increase in creditors | (40.1) | | 21.6 |
| | | | |
| Net cash (absorbed)/generated by operating activities | 14.8 | | 318.9 |

2022 Annual Report and Accounts

The Counselling Foundation Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting policies

- (a) The financial statements for the year ended 31 December 2022 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 similar income are included in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.
- (c) Revenue under contracts for services is recognised to the extent that the right to income has been obtained by the performance or part performance of the contractual obligation.
- (d) In relation to its training services, the majority of the Foundation's training is delivered over courses that cover up to an academic year, with the rest of the training delivered on short-term courses. For training courses that cover an academic year, the total fee income receivable for the course is recognised in debtors on acceptance for the course. The registration fee is recognised as income on acceptance on the course. All the fees (other than the registration fee) for the academic year training courses are reflected in deferred revenue in the balance sheet and then released to income over the period of the training course. The Foundation provides the option to settle training fees for the longer courses either by payment in full or by an initial deposit and then instalments usually linked to the length of the course (which are less than 12 months).
- (e) Income from short-term training courses is recognised on delivery of the training. Income generated from training placements is recognised over the period of the placement.
- (f) In relation to its provision of counselling under contracts to the NHS, the Foundation recognises revenue from these contracts on delivery of the relevant counselling sessions. Any amounts receivable or received before the year end in relation to counselling sessions to be delivered after the year end, is recognised in deferred income.
- (g) Income from investments and other income is included when receivable.
- (h) Expenditure is recognised in the year in which it is incurred. Expenditure includes attributable VAT which cannot be recovered.

2022 Annual Report and Accounts

The Counselling Foundation Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting policies (continued)

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

2022 Annual Report and Accounts

The Counselling Foundation Notes to the Financial Statements For the year ended 31 December 2022

1. Accounting policies (continued)

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

2. Donations and grants

| | 2022 | | | 2021 |
|-----------|--------------|------------|-------|-------|
| | Unrestricted | Restricted | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Donations | 12.7 | - | 12.7 | 25.9 |
| Grants | - | 61.3 | 61.3 | 30.6 |
| | 12.7 | 61.3 | 74.0 | 56.5 |

Restricted income includes grant income from Hertfordshire Community Foundation and others.

3. Income from charitable activities

| | 2022 | | | 2021 |
|--------------------|--------------|------------|---------|---------|
| | Unrestricted | Restricted | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Counselling income | 823.6 | 87.2 | 910.8 | 857.3 |
| Training income | 702.7 | - | 702.7 | 791.8 |
| | 1,526.3 | 87.2 | 1,613.5 | 1,649.1 |

During 2022, the Foundation entered into contracts for £151k (2021 £90k) of income for support for victims of crime and domestic and sexual abuse and other and related counselling services in Bedfordshire, part of which was delivered and the related income recognised in 2022 with the remainder to be delivered and the related income recognised in 2023.

4. Other income

| | 2022 | | | 2021 |
|--------------------------------|--------------|------------|-------|-------|
| | Unrestricted | Restricted | Total | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Rents received | 0.2 | - | 0.2 | - |
| Miscellaneous income | 18.0 | - | 18.0 | 4.4 |
| Investment and interest income | 3.1 | - | 3.1 | 0.3 |
| | 21.3 | - | 21.3 | 4.7 |

2022 Annual Report and Accounts

The Counselling Foundation Notes to the Financial Statements For the year ended 31 December 2022

5. Total expenditure

| | 2022 | | | 2021 | | |
|---|----------------------|-------------------|----------------|----------------------|-------------------|----------------|
| | Counselling £'000 | Training £'000 | Total £'000 | Counselling £'000 | Training £'000 | Total £'000 |
| Staff and similar costs | 399.3 | 514.4 | 913.7 | 326.1 | 532.9 | 859.0 |
| Counselling costs | 329.3 | - | 329.3 | 358.0 | - | 358.0 |
| Premises | 87.9 | 85.6 | 173.5 | 57.0 | 33.9 | 90.9 |
| IT | 18.8 | 41.7 | 60.5 | 17.5 | 25.8 | 43.3 |
| Depreciation | - | - | - | 2.9 | 24.2 | 27.1 |
| General expenses | 7.5 | 13.4 | 20.9 | 6.3 | 19.6 | 25.9 |
| Consultancy | 2.7 | 2.9 | 5.6 | 7.7 | 9.8 | 17.5 |
| Training costs | - | 14.8 | 14.8 | - | 15.7 | 15.7 |
| Bank charges | 1.3 | 6.3 | 7.6 | 1.2 | 8.3 | 9.5 |
| Bad & doubtful debts | (0.6) | (0.6) | (1.2) | 4.8 | 4.6 | 9.4 |
| Communications | 0.7 | 1.3 | 2.0 | 3.4 | 4.4 | 7.8 |
| Advertising | 0.2 | 0.3 | 0.5 | - | 7.0 | 7.0 |
| Insurance | 2.1 | 4.7 | 6.8 | 2.7 | 3.5 | 6.2 |
| Audit fees | 2.6 | 5.8 | 8.4 | 2.3 | 3.1 | 5.4 |
| Post & stationary | 2.7 | 3.7 | 6.4 | 2.4 | 2.1 | 4.5 |
| Travel | 3.0 | 5.7 | 8.7 | 1.6 | 2.1 | 3.7 |
| Subscriptions | 0.3 | 2.7 | 3.0 | 0.4 | 2.1 | 2.5 |
| Interest | 0.2 | 0.6 | 0.8 | 0.1 | 0.2 | 0.3 |
| | 858.0 | 703.3 | 1,561.3 | 794.4 | 699.3 | 1,493.7 |
| Direct costs | 706.3 | 362.3 | 1,068.6 | 610.8 | 309.8 | 920.6 |
| Support costs allocated and apportioned | 151.7 | 341.0 | 492.7 | 183.6 | 389.5 | 573.1 |
| | 858.0 | 703.3 | 1,561.3 | 794.4 | 699.3 | 1,493.7 |

The governance costs incurred by the Foundation relate to audit plus trustee indemnity and directors' liability insurance. Audit and related charges were £8.4k for the year ended 31 December 2022 (£5.4k for the year ended 31 December 2021). The cost of the Foundation's insurance cover (which includes wider business insurance as well as trustee indemnity and directors' liability cover) was £6.8k for the year ended 31 December 2022 (£6.2k for the year ended 31 December 2021). These audit and wider insurance costs total £15.2k for the year ended 31 December 2022 (£11.6k for the year ended 31 December 2021).

6. Net income for the year

Net income for the year is stated after charging:

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Interest payable | 0.8 | 0.3 |
| Depreciation | - | 27.1 |
| Auditors' remuneration for audit services | 8.4 | 5.4 |
| Operating lease commitments | 79.0 | 69.5 |

2022 Annual Report and Accounts

The Counselling Foundation Notes to the Financial Statements For the year ended 31 December 2022

7. Staff costs and numbers

Staff costs were as follows:

| | 2022 £'000 | 2021 £'000 |
|---|-----------------------------|-----------------------------|
| Wages and salaries – management, finance and administration, counselling and training | 842.6 | 793.8 |
| Social security costs – management, finance and administration, counselling and training. | 57.9 | 48.0 |
| Pension contributions – management, finance and administration, counselling and training | 17.9 | 15.6 |
| Total staff costs | <u>918.4</u> | <u>857.4</u> |

Staff costs include redundancy and termination payments incurred and paid in 2022 of £nil (2021: £22.9k).

| | 2022 | 2021 |
|--|-------------|-------------|
| The number of employees whose emoluments exceeded £60,000 is stated below: | | |
| £60,001 - £70,000 | - | - |

The pension contributions related to monies paid into a defined contribution scheme for employees. Benefits are accruing for 33 (2021: 26) members of staff under the defined contribution scheme. There were no outstanding contributions at the balance sheet date.

| | 2022 | 2021 |
|--|---------------|---------------|
| The monthly average number of persons employed by the charity during the year was: | | |
| | Number | Number |
| Management | 6 | 5 |
| Counselling and training staff | 43 | 44 |
| Administration and support | 14 | 15 |
| | <u>63</u> | <u>64</u> |

| | 2022 | 2021 |
|---|---------------|---------------|
| The average weekly number of full-time equivalent employees during the year, calculated on the basis of full-time equivalents was as follows: | Number | Number |
| Management | 3 | 4 |
| Counselling and training staff | 12 | 11 |
| Administration and support | 11 | 12 |
| | <u>26</u> | <u>27</u> |

Management remuneration was as follows:

| | 2022 £'000 | 2021 £'000 |
|-------------------------|-----------------------------|-----------------------------|
| Management remuneration | <u>239.5</u> | <u>224.9</u> |

8. Taxation

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

Any surplus from training supplies is applied to the continuance or improvement of training activities.

2022 Annual Report and
Accounts

The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2022

9. Tangible fixed assets

| | Freehold Property | Long Leasehold Property | Fixtures, fittings and equipment | Total |
|-------------------------|----------------------|----------------------------|--|-------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | |
| At 31 December 2021 | 88.3 | 318.4 | 94.0 | 500.7 |
| Additions | - | - | - | - |
| Disposals | - | - | (7.7) | (7.7) |
| At 31 December 2022 | 88.3 | 318.4 | 86.3 | 493.0 |
| Depreciation | | | | |
| At 31 December 2021 | - | - | 94.0 | 94.0 |
| Charge for the year | - | - | - | - |
| Eliminated on disposals | - | - | (7.7) | (7.7) |
| At 31 December 2022 | - | - | 86.3 | 86.3 |
| Net Book Value | | | | |
| At 31 December 2022 | 88.3 | 318.4 | - | 406.7 |
| At 31 December 2021 | 88.3 | 318.4 | - | 406.7 |

The long leasehold properties, with a net book value at 31 December 2022 of £318.4k, are subject to security in relation to a bank loan of £13.2k at 31 December 2022 (2021: £18.8k). This loan was repaid in full during 2023.

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 £165.2k at 31 December 2022 (2021: £173.3k), compared to their net book value of £406.7k.

10. Debtors

| | 2022 £'000 | 2021 £'000 |
|------------------------------|---------------|---------------|
| Prepayments & Accrued Income | 6.9 | 6.7 |
| Other debtors | 235.6 | 146.3 |
| | <u>242.5</u> | <u>153.0</u> |

11. Cash

| | 2022 £'000 | 2021 £'000 |
|----------------------------|----------------|----------------|
| Cash at bank | 33.1 | 85.2 |
| Cash deposits (short term) | 1,048.5 | 989.9 |
| | <u>1,081.6</u> | <u>1,075.1</u> |

2022 Annual Report and Accounts

The Counselling Foundation Notes to the Financial Statements For the year ended 31 December 2022

12. Creditors: amounts falling due within one year

| | 2022 £'000 | 2021 £'000 |
|-----------------|---------------|---------------|
| Bank loans | 14.5 | 11.5 |
| Trade creditors | 88.0 | 116.8 |
| Accruals | 60.3 | 81.5 |
| Deferred income | 560.4 | 540.2 |
| Social security | 5.7 | 16.0 |
| | <u>728.9</u> | <u>766.0</u> |

Income deferred at the previous year end at 31 December 2021 (save for immaterial amounts) was released during the year ended 31 December 2022. Income that was deferred as at 31 December 2022 (save for immaterial amounts) was deferred during the year then ended and has been or is expected to be released in the year to December 2023.

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

| | 2022 £'000 | 2021 £'000 |
|---------------------------------|---------------|---------------|
| Bank loans | <u>42.9</u> | <u>57.3</u> |
| Analysis of bank loans: | | |
| Amounts payable by instalments: | | |
| Between one and two years | 14.5 | 15.7 |
| Between two and five years | 28.4 | 37.4 |
| After 5 years | - | 4.2 |
| | <u>42.9</u> | <u>57.3</u> |

In addition, there is an amount of £14.5k (2021: £11.5k) in relation to these bank loans that is included in Creditors: amounts falling due within one year.

There are two bank loans. One bank loan of £13.2k (in total) is secured on the long leasehold properties of the Foundation and at 31st December 2022 represented 4% of their book value. The original loan of £150k was repayable over 25 years from 1992 but was extended in January 2000 for a further 25 years. The interest rate was a floating interest rate equal to a margin of 2% per annum over the Base Rate. This bank loan has been repaid in full during 2023.

The second loan is an unsecured loan under the government's Covid related bounce back loan scheme. The original loan of £50k was drawn down in May 2021 and bears interest at a fixed rate of 2.5% and is repayable by monthly instalments over 5 years starting one year after drawdown. The balance at 31 December 2022 was £44.2k.

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The Counselling Foundation
Notes to the Financial Statements
For the year ended 31 December 2022

14. Analysis of net assets between funds

| | Unrestricted funds General Funds £'000 | Unrestricted funds Designated Funds £'000 | Restricted Funds £'000 | Total Funds £'000 |
|--|---|---|------------------------------|-------------------------|
| Tangible fixed assets | 327.4 | - | 79.3 | 406.7 |
| Current assets | | | | |
| Debtors | 242.5 | - | - | 242.5 |
| Cash | 735.6 | 160.3 | 185.7 | 1,081.6 |
| Creditors: due within 1 year | (606.9) | - | (122.0) | (728.9) |
| Net current assets | 371.2 | 160.3 | 63.7 | 595.2 |
| Creditors: due after more than 1 year | (42.9) | - | - | (42.9) |
| Net assets at 31 December 2022 | 655.7 | 160.3 | 143.0 | 959.0 |

15. Movement in funds

| | At 31 December 2021 £'000 | 2022 Incoming Resources £'000 | 2022 Outgoing Resources £'000 | 2022 Transfers £'000 | At 31 December 2022 £'000 |
|----------------------------|------------------------------------|--|--|----------------------------|------------------------------------|
| Restricted funds: | | | | | |
| Freehold Property | 13.6 | - | - | - | 13.6 |
| Leasehold Property | 65.7 | - | - | - | 65.7 |
| Cash – re property | 54.4 | - | - | - | 54.4 |
| Cash – Other | 28.7 | 148.5 | (154.8) | (13.1) | 9.3 |
| Total restricted funds | 162.4 | 148.5 | (154.8) | (13.1) | 143.0 |
| Unrestricted funds: | | | | | |
| Designated funds | | | | | |
| Training fund | 93.0 | - | - | 67.3 | 160.3 |
| 2022/23 Property programme | 80.0 | - | - | (80.0) | - |
| General property fund | 100.0 | - | - | (100.0) | - |
| Total designated funds | 273.0 | - | - | (112.7) | 160.3 |
| General funds | 376.1 | 1,560.3 | (1,406.5) | 125.8 | 655.7 |
| Total unrestricted funds | 649.1 | 1,560.3 | (1,406.5) | 13.1 | 816.0 |
| Total funds | 811.5 | 1,708.8 | (1,561.3) | - | 959.0 |

2022 Annual Report and Accounts

The Counselling Foundation Notes to the Financial Statements For the year ended 31 December 2022

Restricted funds:

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

Unrestricted funds:

Designated funds

The Foundation has a designated fund for its Training activities for their continuation and improvement. The Foundation has released a previously designated fund for repair and maintenance work at its owned properties that has now been carried out, plus a general property fund for which there is no immediate application.

General Fund

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

16. Legal status of the Charity

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

17. Operating lease commitments

At 31 December 2022 the charity had commitments under operating leases as set out below:

| | Land and buildings | | Equipment | |
|--|--------------------|-------|-----------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Operating lease payments due in less than one year | 15.5 | 31.0 | 2.5 | 6.2 |
| Operating lease payments due in the second to fifth year | - | - | 2.7 | 5.2 |
| | 15.5 | 31.0 | 5.2 | 11.4 |

18. Related party transactions

Following the year end, the spouse of one of the Trustees Richard Clarke has provided counselling and training services to the Foundation in the ordinary course and on arms-length terms under an arrangement approved by the Board under its articles of association (an approval in which Mr Clarke did not participate). The cost to the Foundation of these services in the period between Mr Clarke's appointment as a Trustee on 22 February 2023 and the date of these accounts was £1.5k.

Emma Branch, who was Chief Executive of the Foundation during 2022 and in the first half of 2023, was also a director of The Baton of Hope UK Limited, which is a suicide awareness charitable company. The Foundation and the Baton of Hope UK Limited worked together on promoting mental health (which is one of the Foundation's objectives) during that period, as part of which the Foundation provided Baton of Hope with early-stage IT support while the Baton of Hope UK Limited was being set up, the cost of which in 2022 was £1k.

Save as set out above, there have been no related party transactions in the year. No trustee received any remuneration or pension contributions or received any other benefits of an employment. Trustee expenses of £nil (2021: £20) were reimbursed.

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The Counselling Foundation Notes to the Financial Statements For the year ended 31 December 2022

19. Comparative funds

| | General Funds 2022 £'000 | Designat ed funds 2022 £'000 | Restricted Funds 2022 £'000 | Total Funds 2022 £'000 | | General funds 2021 £'000 | Design ated funds 2021 £'000 | Restric ted funds 2021 £'000 | Total Funds 2021 £'000 |
|--------------------------------|--------------------------------|---------------------------------------|--------------------------------------|---------------------------------|--|-----------------------------------|--|---------------------------------------|---------------------------------|
| Income from: | | | | | | | | | |
| Donations and grants | 12.7 | - | 61.3 | 74.0 | | 3.0 | - | 53.5 | 56.5 |
| Charitable activities: | | | | | | | | | |
| Training and counselling | 1,526.3 | - | 87.2 | 1,613.5 | | 1,597.9 | - | 51.2 | 1,649.1 |
| Other income | 21.3 | - | - | 21.3 | | 4.7 | - | - | 4.7 |
| Total income | 1,560.3 | - | 148.5 | 1,708.8 | | 1,605.6 | - | 104.7 | 1,710.3 |
| Expenditure on: | | | | | | | | | |
| Charitable activities: | | | | | | | | | |
| Training and counselling | 1,406.5 | - | 154.8 | 1,561.3 | | 1,397.2 | - | 96.5 | 1,493.7 |
| Total expenditure | 1,406.5 | - | 154.8 | 1,561.3 | | 1,397.2 | - | 96.5 | 1,493.7 |
| Net income for the year | 153.8 | - | (6.3) | 147.5 | | 208.4 | - | 8.2 | 216.6 |
| Transfers between funds | 125.8 | (112.7) | (13.1) | - | | (165.2) | 173.0 | (7.8) | - |
| Net Movement in Funds | 279.6 | (112.7) | (19.4) | 147.5 | | 43.2 | 173.0 | 0.4 | 216.6 |
| Funds at start of year | 376.1 | 273.0 | 162.4 | 811.5 | | 332.9 | 100.0 | 162.0 | 594.9 |
| Funds at end of year | 655.7 | 160.3 | 143.0 | 959.0 | | 376.1 | 273.0 | 162.4 | 811.5 |

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 2021, 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.