

Company number: 02966937  
Charity number: 1042052



# **Annual Report and Financial Statements Year ended 31 December 2020**



The Minster Centre  
20 Lonsdale Road  
Queen's Park  
London  
NW6 6RD

**The Minster Centre**  
Trustees' report and financial statements for the year to 31 December 2020

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## **The Minster Centre**

Trustees' report and financial statements for the year to 31 December 2020

### **1. Company information**

#### **Trustees**

Christopher Brooks	(Treasurer, re-elected 18/12/18)
Judith Burnett	(elected 18/12/18, re-elected 11/12/20)
Debbie Charles	(elected 11/12/20)
Norma Clayton	(re-elected 18/12/18)
Nick Carley	(co-opted 17/11/17, elected 19/12/17, elected Chair 1/11/19, re-elected 11/12/20)
David Collins	(co-opted 17/11/17, elected 19/12/17, re-elected 11/12/20)
Malcolm Couldridge	(elected 20/12/17, elected Vice Chair 1/11/19, re-elected 11/12/20)
Mark Gullidge	(Staff Trustee, elected 18/12/18)
Hannah Joll	(Student Trustee, elected 18/12/18)
Elizabeth Mpyisi	(elected 19/12/19)
Gavin Sharpe	(elected 19/12/19)
Sean Titley	(elected 7/1/15, re-elected 19/12/17, re-elected 19/12/19)
Felicity Wright	(Director invited to join Board 25/1/19)
Susanna Wright	(elected 20/12/16, stood down as Vice Chair 1/11/19, re-Elected as a Trustee 19/12/19)

#### **Company Secretary**

Christopher Brooks

#### **Senior staff**

Director	Lissie Wright
Deputy Director	Philip Reilly
Deputy Director	Alyson Jaffe

**Company number:** 02966937

**Country of incorporation:** United Kingdom

**Registered charity number:** 1042052

**Country of registration:** England & Wales

**Registered office and business address:** 20 Lonsdale Road  
Queen's Park  
London  
NW6 6RD

**Auditor:** Sayer Vincent LLP  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

**Bankers:** CAF Bank Ltd  
25 Kings Hill Avenue,  
Kings Hill,  
West Malling, Kent, ME19 4TA.

## **The Minster Centre**

Trustees' report and financial statements for the year to 31 December 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

## **2. Principal aims and activities**

### **2.1 Aims and Objects**

The Minster Centre's principal aims and objects, as defined by the Memorandum and Articles of Association, are:

- (a) to advance the education of the public by providing tuition and training programmes in individual and group psychotherapy for psychotherapists and counsellors and trainee psychotherapists and counsellors;
- (b) to relieve persons suffering from mental, emotional and/or physical illness or distress by the provision of psychotherapy and counselling.

### **2.2 Public benefit statement**

The Centre pursues these objects by providing training in counselling and psychotherapy and the provision of a community-based, affordable psychotherapy and counselling service.

Training at the Centre ranges from open-access introductory courses, through courses supporting professional registration with the British Association for Counselling and Psychotherapy (BACP) and the United Kingdom Council for Psychotherapy (UKCP) to post-qualification training and continuing professional development. Our professional training includes Masters degree programmes validated by Middlesex University. During 2020 over 350 people attended Foundation or higher levels of training at the Centre, a further 149 attended open-entry Introduction to Counselling short courses and 114 people attended Continuing Professional Development events; a total of 613 people attended training at the Centre during the year.

The Centre strives to be as accessible as possible to people from different cultures and backgrounds and welcoming to trainees and service users from all ethnic communities, sexual orientations, genders, beliefs and cultures. We aim to make our training and services accessible for people with disabilities wherever possible.

The Centre provides the Helen Davis Bursary scheme to support people wishing to undertake training in psychotherapy and counselling who could not otherwise afford to do so. The scheme aims to support two students per annum on Foundation level courses and one new student per annum undertaking professional training as a counsellor or psychotherapist. Once students commence professional training they are supported to qualification. The Bursary Committee, which considers applications, has discretion to award these as fully funded or partially funded places or to award

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more bursaries for smaller amounts. In 2020 seven students benefitted from bursaries.

The training work of the Centre is integrated with the work of the Minster Centre Psychotherapy and Counselling service (MCPCS). The therapy is provided by senior trainees who are closely supervised, as part of their training, by in-house clinical supervisors. Clients of the service are charged fees based on their income. In 2020 we estimate this service provided over 4,000 therapy hours. The impact of the Covid-19 pandemic meant that the MCPCS devised new ways of working from March 2020, therapeutic work moved online, including initial assessments for therapy. We successfully implemented new systems of working within six weeks of the initial lockdown. As many services (in both the statutory and third sectors) were severely affected by the impact of the pandemic, the MCPCS has continued to be one of the few services offering affordable, long-term psychological support to clients.

### **3. Review of the period**

#### **3.1 Strategic aims and objectives for 2020**

The Vision, Mission and Values statement for the Centre, agreed by the Board in 2019, are as follows.

#### **Vision, Mission and Values**

##### **Our Philosophy**

We believe that good therapy can support people to explore their whole selves. Integrative psychotherapy supports people to explore their conscious and unconscious, their thoughts, feelings, desires and beliefs alongside their personal and cultural histories, relationships and present environment.

Different theoretical approaches give powerful insights into what it means to be human, the factors that shape us, how psychological suffering arises and what can be done to alleviate it. We believe that many approaches have valuable contributions to make and that no single theory offers a complete account. As a result, we see integrative therapy as a process rather than the production of a fixed solution. We aim to train therapists who understand:

- The importance of both our early years' experience and the unconscious alongside here-and-now experiences and relationships.
- The place of the body in emotion, experience, growth and change, including what neuroscience and attachment studies teach us.
- The potential of symbolism, spirituality and creativity to transform our experiences.
- The impact of the social and political environment on our relationships, and wellbeing, and our sense of self and identity.

##### **Vision**

Integrative psychotherapy makes a valuable contribution to the wellbeing of individuals and society.

## The Minster Centre

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### Mission

To contribute to the vigour of the profession and the practice of psychotherapy, improving individuals' wellbeing by:

- Taking a distinctive and experiential approach to training generations of practitioners who will enrich the profession.
- Continuing to pioneer an integrative approach to therapy that is relational (pays attention to what happens in the therapeutic relationship) and embodied (understands the importance of our bodily experience in our psychological wellbeing rather than seeing them as separate).
- Putting our skills and experience to work by developing and providing accessible therapeutic services.

### Values

We will strive to ensure that our actions are true to our beliefs by:

- Recognising and valuing difference and diversity.
- Taking steps to make our training and services relevant and accessible to as many people as possible.
- Being curious and receptive to new experiences.
- Being willing to challenge, take risks and lead by example to achieve our aspirations.
- Caring for the whole person and recognising their individual circumstances
- Having the courage of our convictions.
- Acting fairly and honestly, being accountable and open, being thorough in our approach to ethical standards.

### Strategic Aims

In November 2019 the Board agreed new Strategic Aims which set the direction for the work to be undertaken in the coming five years, commencing in 2020. The four aims are as follows.

**1) Increase the Minster Centre's ability to reach a wide range of people.**

*By increasing the range of events, short courses and resources offered to the public and professionals, strengthening relationships with professional bodies and partners to ensure integrative approaches to therapy and access to therapy for diverse communities are championed, and developing research that provides greater insight into client and therapist experience in a diverse society (using experience-near qualitative research approaches).*

**2) Train therapists who are particularly well equipped to work in a diverse society.**

*Building on work already undertaken, increase the diversity of students attending Minster Centre courses to reflect more fully wider society (as a target to support this, by 2024, student body to reflect the demographics of Greater London population in terms of ethnicity and disability as ethnically diverse and disabled therapists are particularly under-represented in the profession and increase the competence of Minster Centre graduates and members to work with clients from diverse communities).*

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### **3) Offer accessible and affordable services to a diverse community**

*Increase the number and diversity of clients using the Minster Centre therapy service (MCPCS) or other services supported by the Minster Centre (by 2024 increase the number of clients using MCPCS or Minster Centre partner services by 20% and work with specialist partners to support access for groups that find it harder to access therapy).*

### **4) Manage the Minster Centre for sustainability and growth**

*Increase income to fund organisational changes that support the sustainability and succession planning of the leadership of the organisation and its diversity and ensuring sustainable premises for the Centre.*

## **3.3. Activities and achievements in 2020**

Two key challenges shaped 2020: continuing to offer high-quality training and services in the face of the Covid-19 pandemic and rising to our strategic intention to train therapists well equipped to work in a diverse society in the face our, and wider society's, growing understanding of structural racism.

The Centre's operational responses to Covid were driven by a commitment to students, clients and staff and maintaining the financial viability of the organisation. Further, considering our charitable aims, there was a recognition that there will be an increased need for counsellors and psychotherapists in the post-pandemic period and therefore a particular need for us to continue to offer training and services.

In response to the situation:

- All training was moved online.
- We planned contingencies if key staff became unwell.
- Existing MCPCS clients were offered the opportunity to continue sessions online or by telephone wherever possible. Trainees were trained in working online. Assessment and allocation of new clients for online working was established.
- The Finance Sub-committee (FSC) of the Board met (online) weekly and then monthly and the Board met more frequently. Particular attention was paid to monitoring cashflow.
- All staff were supported to work from home. A small number of staff who normally provide cleaning and reception services were furloughed and other staff were redeployed to support online working.
- Recruitment to courses continued online with applications for programmes starting in September 2020 remaining strong. It was made clear to applicants that the training may be delivered online or using a blended approach depending on the situation in September.

### **Training**

The Minster Centre is one of the UK's leading organisations for the training of psychotherapists and counsellors; its courses are accredited by the main professional bodies: the Diploma in Integrative Counselling by the British Association of Counselling and Psychotherapy (BACP) and the Advanced Diploma/MA in Integrative Psychotherapy and Counselling by the United Kingdom Council for Psychotherapy (UKCP). The MA/PG Dip courses are validated by Middlesex

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University. Courses are offered at all levels ranging from short open-entry counselling skills courses to qualifying and post-qualification post-graduate level courses. The structure and content of training and the quality of teaching is kept under regular review and adapted to reflect new developments in the field.

In March, as the impact of Covid-19 began to emerge, we closed our building a week before lockdown to protect staff, students and clients and to reduce travel, and began a rapid transition to offering seminars, clinical supervision and therapy services online. Over a very short period we set up a system and trained staff to teach and supervise online and we trained students to see clients online. We successfully offered training and therapy services online for the remainder of 2020 and continue to do so. Additional opportunities for student feedback have been put in place to ensure we maintain the quality of programmes offered – feedback has been good.

Alongside online delivery, over the summer, risk assessments were carried out and extensive work undertaken to allow safe use of the building for a blended training model. In the autumn term we were able offer some in-person training, prioritising modules and student groups that would most benefit. The intention was to maintain a blended model of training into 2021 but this had to be suspended as the situation worsened during the Christmas break. It is planned for some in person training to resume in April 2021. Feedback from students and staff is that we succeeded in offering well supported and high- quality training throughout 2020 and that the efforts of staff, particularly IT staff, to support this were recognised and appreciated.

The killing of George Floyd on May 25<sup>th</sup> caused distress to students and staff and highlighted, again, the low numbers of therapists and trainees of colour in the profession and the difficult experiences reported by trainees of colour, and from other under-represented groups, with regards to training at the Minster Centre and elsewhere. Although, we have been working to address the lack of diversity in the profession for a number of years we recognise that there is much work to be done to make training as a counsellor or psychotherapist as attractive and accessible to students of colour as it should be.

During 2020 the Diversity and Inclusivity Committee, a joint staff and student group that started work in 2019, established itself, agreeing terms of Terms of Reference and developing a rolling action plan. The process of developing the curriculum to integrate consideration of diversity and inclusivity more fully across all courses continued. The discussion of diversity and inclusivity is now introduced earlier in the training programme and more resources are included on the impact of discrimination on mental health and approaches beyond the established white, European, mostly male and middle-class texts. As the year progressed a Curriculum Sub-Committee began to grapple with how we go further, to develop a decolonised curriculum that challenges normative perspectives and trains therapists that are thoroughly prepared to work in our diverse country and to develop the profession.

In February we held the first Minster Centre Trainers' forum, modelled on the Black, African and Asian Therapy Network (BAATN) Trainers' forums, and externally facilitated. Very sadly one of the facilitators, Arike, died suddenly in June. He was a great loss to the profession. We have recently started regular reflective practice groups for teams (usually year groups) of training staff as a way of developing the work he and his partner Leah started with us. In 2021 we will seek external support for these groups. During 2020 we also continued our training programme for staff on



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race awareness; during the year a further 16 staff attended White Awareness training and 17 more staff attended the Challenge of Racism in Psychotherapy training. A planned Gender Diversity training was postponed because the tutor was unable to return from abroad because of Covid restrictions.

During the year students and staff also established new student support groups, which were particularly important during periods of lockdown. Alongside the established Students of Colour group, we now have Queer, Jewish, Disability, Neurodiversity, Parents and Lone person groups. Staff of Colour also established a regular group.

During 2020 seven students benefitted from bursaries.

We also continued to engage with quality assurance processes. During 2020, and just before lockdown, our HE courses were reviewed by Middlesex University our validating partner. All courses were successfully reviewed. We received four commendations recognising our collaborative and collegiate approach:

- The coherence of the programmes, which reflects the underpinning ethos and modality of the institution;
- Our positive relationship with students and the student experience in general, in particular the responsiveness to student feedback;
- The management and programme teams for the candidness of the critical review;
- The development of management succession plans and the forward-looking approach to teaching, learning and assessment.

There was also a recommendation to consider incorporating the weekend training days into the credit-rated modules and a requirement to update the documentation to clarify the Mental Health Familiarisation module learning outcomes and review the incorporation of climate change into a module.

### **Student recruitment**

Interest in Minster Centre Courses remained strong in 2020 although we limited the numbers of students recruited in September 2020 to ensure we could manage social distancing when we were in the building and to manage group facilitation when working online. See Table 1 below for more information on student numbers.

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**Table 1: Student Numbers since 2016/17**

	2020/21	2019/20	2018/19	2017/18	2016/17
Foundation certificate	48	52	45	40	46
Fast Track Foundation certificate	37	38	34	38	38
Year 1 Professional Training	48	51	39	50	53
Year 2 Professional Training	46	48	45	47	45
Counselling Diploma finalists and MA/Adv Diploma Year 3	41	44	48	46	42
Adv Diploma and MA Finalists <sup>1</sup>	94	98	82	75	70
Supervision Diploma/PG Dip/MA	18	15	14	10	9
PG Dip/MA Advanced Clinical Practice	18	18	15	12	9
<b>Total</b>	<b>350<sup>2</sup></b>	<b>364</b>	<b>322</b>	<b>318</b>	<b>312</b>

In addition, 149 students attended Introduction to Counselling skills short courses in 2020, and 114 people attended CPD events; making a total of 613 attendees who benefitted from Minster Centre training during the year.

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<sup>1</sup> Finalists for the Advanced Diploma and the MA in Integrative Psychotherapy and Counselling may take more than one year to complete their dissertation and case studies; this explains the larger numbers in this group.

<sup>2</sup> Numbers of students admitted in 2020/21 were lower to ensure social distancing could be managed.

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### **Therapy Service**

The Minster Centre continued to offer therapy through its Psychotherapy and Counselling Service (MCPCS).

During 2020, the MCPCS built on the work undertaken in 2019 and increased the number of clients accessing therapy through the service. From January 2020 to date, we have received 450 enquiries and have allocated 125 clients to senior students for long-term therapy (up from 79 clients the previous year).

The impact of the Covid-19 pandemic meant that the MCPCS devised new ways of working from March 2020, when we temporarily closed our building. All therapeutic work moved online, including initial assessments for therapy. We successfully implemented new systems of working within six weeks of the initial lockdown in March 2020. This has continued to expand the geographical parameters of the service and meet, at times, the needs of clients across the UK, who may have been unable to access affordable therapy prior to the pandemic.

Many services (in both the statutory and third sectors) were severely affected by the impact of the pandemic, the MCPCS has continued as one of the few services offering affordable, long-term psychological support to clients. With the closure of some third-sector services and an overwhelming demand for NHS services, which often offer short-term support, the MCPCS is receiving a higher number of complex and severe client presentations, some of which we redirect to services which are more suitable for complex needs.

### **Staff**

The Trustees delegate the Centre's day-to-day operations to the Director and her team of staff. The Centre employs permanent staff to run the operation and a large team of highly qualified and experienced tutors who are all practicing therapists.

During 2020 all staff worked exceptionally hard to meet the challenges posed by the pandemic, mastering new skills and working flexibly to support moving training and therapy provision online and then to provide blended learning to students. The IT staff, the Operations Manager and Deputy Operations Manager and Heads of Year/Courses warrant particular mention for their dedication and determination which allowed the Centre to continue to provide high quality training and therapy services. When we closed the building, all staff were supported to work from home with a small number of staff who lived locally coming into the building, with appropriate risk assessment, to attend to essential tasks. A small number of staff who normally provide cleaning and reception services were furloughed for parts of the year and other staff were redeployed to support online working. During the summer, we made the decision to transfer our cleaning arrangements to a contract to ensure that we could meet and maintain Covid-secure requirements in the autumn term. Our two cleaning staff transferred to the contractor under arrangements that retained their existing terms and conditions.

During the year two very long-standing members of staff, Sue Murphy and Adella Shapiro, retired from their tutor roles and, very sadly, Sue Daniels who had worked for the Minster Centre for very many years and indeed trained some of the current staff team, became ill during the summer term shortly before she was due to retire and died in August. She will be very much missed by her colleagues and students.

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Two members of staff, Roz Carroll and Shoshi Asheri, took full sabbaticals for the academic year 2020/21 to write books or develop research. Both have recently decided they need more time to complete that work and will not return in the immediate future, although we hope to maintain our contact with them. In addition, Stephen Callus took a sabbatical from his role as Head of Foundation but has continued to work with us as a clinical supervisor.

The Centre has a long-term commitment to support and develop a diverse staff. As part of that we have sought to increase the numbers of staff of colour working for the organisation by advertising all training posts with BAATN. The proportion of staff of colour within the team has steadily increased from around 11% in 2017 to 20% in 2020/21.

### **3.5 Remuneration Policy**

The Minster Centre needs to recruit and retain staff with a wide range of skills. As a relatively small organisation working in a specialist field, it needs to be led by senior staff who have specialist knowledge in the fields of psychotherapy, training and therapeutic service delivery combined with organisational and business expertise.

Although the Minster Centre is not a London Living Wage-accredited employer it does seek to ensure that all staff are paid at least the London Living Wage.

The same benefits, including pensions and terms and conditions, apply to all staff including the Director. The Centre does not apply any performance-related pay and does not have a bonus scheme. The same appraisal system applies to all permanent staff.

The ratio of highest to lowest and highest to median rates of pay is published annually. As a guideline, the Trustees would not normally expect the ratio of highest to median rate of pay to exceed 4:1. In 2020 the ratio of highest to lowest pay was 3.2 (3.2 in 2019) and highest to median rate of pay was 2.2 (2.3 in 2019).

Senior staff pay is determined by the Remuneration Sub-Committee (RSC) taking into account comparisons with national charity pay levels, remuneration in Higher Education and the ratios of highest to lowest and highest to median rates of pay. The RSC also agrees and annually reviews the overall approach to staff pay and any annual pay increases within the context of the Centre's financial position and strategic priorities, the cost of living, recruitment and retention rates.

### **3.6 Governance**

The Board meets at least five times each year to discuss progress in relation to strategic aims, monitor performance and agree future budgets, targets and priorities. The Director also attends at least four Finance Sub-Committees (FSC) per year and regularly meets more informally with the Chair of Trustees. In 2020 the Board met six times and the FSC meet weekly in March and April and then at least monthly for the remainder of the year to review the situation in the light of the impact of Covid, paying particular attention to cash flow.

### **Recruitment and induction of Trustees**

The arrangements for the appointment of Trustees are laid down in the charity's Mem & Arts. Under the revised Mem & Arts there must be a minimum of seven Trustees and a maximum of 14. Up to 10 Independent Trustees are nominated and

## **The Minster Centre**

### **Trustees' report and financial statements for the Year to 31 December 2020**

elected by the Members, one Staff Trustee is nominated and elected by the Centre's staff and one Student Trustee by students attending courses that last more than one year. Members, for the purposes of elections, are: Trustees, alumni of Minster Centre professional training courses and individuals who have been granted honorary membership.

Each year one-third of the independent Trustees must resign. Trustees serve for periods of three years and can stand for re-election up to a maximum period of nine years. Elections for Trustees are therefore held annually. In the event of there being a vacancy for the position of a Trustee between elections, the Board of Trustees may co-opt a Trustee. Co-opted Trustees then go forward for confirmation at the next scheduled election.

Nominations for Trustees are sought by advertising on the website, to the Membership, and through suitable other organisations, such as BAATN, and Trustee recruitment sites.

At the start of 2020 there were 13 trustees: Nick Carley (Chair), Malcolm Couldridge (Vice Chair), Christopher Brooks (Treasurer), Judith Burnett, Norma Clayton, David Collins, Mark Gullidge (Staff Trustee), Hannah Joll (Student Trustee), Elizabeth Mpyisi, Gavin Sharpe, Sean Titley, Lissie Wright (Director) and Susanna Wright.

The Staff Trustee and the Director are paid their salaries at the agreed rates and receive no additional fees or benefit for serving as trustees. The Student Trustee pays fees at the same rate as all other students and receives no additional benefits for serving as a trustee.

In preparation for the annual elections, the composition of the Board was discussed at the November 2020 meeting. Nick Carley, Malcolm Couldridge, Judith Burnett and David Collins stood for re-election (and were duly re-elected on 11/12/20). As there is space for 14 Trustees, the Board were invited to comment on the additional skillsets they thought would be beneficial in a new Board member. They identified online training expertise, legal or commercial property expertise and fundraising alongside an ongoing commitment to equality, diversity and inclusion, which they would like to see reflected in the composition of its Board. Advertisements therefore identified that nominations from people from black and minority ethnic communities, the LGBT+ community, care leavers and from disabled people would be particularly welcomed. Debbie Charles (who brings 25 years experience as a psychotherapist, supervisor and group facilitator both in the UK and Canada and a long-standing commitment to promote equality, diversity and inclusivity within the psychotherapy profession) was nominated and elected as a new Trustee.

This brings the Board up to its full complement of 14.

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### **4. Financial Review**

#### **4.1 Financial performance in 2020**

In 2020 the charity had income of £ 1,558,329 and expenditure of £ 1,590,991 resulting in a deficit of £32,662 for the year. The Centre carried forward funds of £478,831.

Income from training, therapy and membership activities was strong, partially offsetting the reduction of £87,000 in room bookings income that resulted from ceasing therapy room hire in March 2020. Room hire has not yet restarted.

Direct costs overall were over budget and this was driven principally by an increase in spend on training staff salaries. This reflects both increased activity and additional work to support the response to Covid and our focus on Diversity and Inclusion.

Expenditure on overheads overall was as budgeted, but reflects much higher spending in some areas and reduced spending on others. These reflect the adaptations to Covid, with increased costs, for instance, on software to support online working and cleaning to provide a Covid safe environment, and some reduced costs, for instance photocopying, when the building was not being used. The largest item, staff costs, was close to budget although this perhaps does not fully reflect the staff's efforts (tutors and operational staff) to keep us operating throughout the year.

Given the extraordinary year the final position is better than we hoped for mid-year. It reflects the ongoing demand for the Minster Centre's training, our capacity to respond flexibly and the students' commitment to their training. Much has been learnt which will feed in to how we operate in the future.

#### **4.2 Fundraising**

The Centre does not undertake significant fundraising although in previous years small donations have been received towards bursaries and external funding for bursaries is an area we plan to develop in the future. It does not currently set fundraising targets and does not incur material expenditure to fundraise; nor does it engage professional fundraisers, commercial participators or third-party fundraisers. No complaints about fund raising activities were received during 2020.

#### **4.3 Reserves Policy**

The Minster Centre holds reserves to ensure that it has sufficient funds to cover periods when income is relatively low, that it can meet its obligations to allow students to complete training courses they have started, and that it can meet its ethical obligations to clients by ensuring any therapeutic services that may have to be closed or reduced can be brought to planned and supervised completion.

The level and range of reserves the charity needs were re-assessed at the end of the year using the Risk Identification approach as recommended by Sayer Vincent's *Reserves policies made simple*. This considers the sources, reliability and predictability of income, the commitment to expenditure and the significant risks the charity faces. In addition, consideration has been given to developments that the charity wishes to undertake given its strategic aims. Particular attention was paid to the reviewing the level of funds needed to ensure that if a course was closed students already on the course would be able to complete it and to maintain access to suitable premises.

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#### ***Cash Flow***

Monthly cash flow varies primarily because of the cycle of fee income and the timing of quarterly rent payments and Middlesex University student registration fees. Although many students spread their fee payments across the academic year producing a good flow of income across the months, some pay up-front creating an income peak in September and October that has to support deficits in other months. The Trustees agreed that cash flow should be monitored regularly with action taken to ensure sufficient cash at bank and in hand to meet average monthly expenditure of £126,000.

#### ***Income***

Although income from training fees forms a very high proportion of overall income and would fall if student recruitment fell, this risk is moderated by the fact that fees come from a large number of individuals, we offer a range of courses at different levels and some courses run for more than one year making income in following years more predictable.

The Trustees have previously agreed that we should seek to diversify sources of income including increasing income from room bookings and client fees as additional, but modest, sources of income. Considerable progress had been made on this with income from room bookings increasing from £40,000 in 2014 to close to £115,000 in 2019 and client fees from £35,000 in 2014 to £93,000 in 2019. The increases were the result of both more effective tracking and collection of income and of increased activity. In 2020 room bookings ceased in March when we closed the building and have not yet restarted, due to repeated lockdowns and the constraints imposed by offering a Covid-safe environment for training in the same building. When we do re-start offering rooms for therapy we will need to rebuild this income stream. In contrast, as we successfully supported a transfer to online therapy for many existing MCPSC clients and were able to offer an online service to new clients, income from client fees was maintained and increased slightly during 2020 to £96,000. In future it is likely that we will offer both in-person and online therapy services potentially increasing income from client fees.

#### ***Expenditure***

All the Centre's expenditure is related to its charitable activities. If necessary, the range and scope of delivery could be reduced without negating all public benefit.

#### ***Risks***

The charity undertakes regular reviews to identify and reduce significant risks. Risks that could impact the charity's viability have been identified as: a major reduction of student applications, significant damage to the charity's reputation and a large increase in the charity's fixed costs.

To reduce these risks, the Trustees and The Minster Centre's management have identified actions that include:

- At least twice-yearly reviews of student recruitment to identify trends and plan any adjustments to, for instance, marketing or course planning.
- The FSC reviews the Centre's long-term premises needs.

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- Investing in activity that will support the quality of the charity's work and communications (thereby protecting its reputation). These include maintaining accreditation/registration with key bodies including OfS, UKCP, BACP and engaging in quality assurance processes and reviews.
- Establishing and maintaining clear governance, policies and procedures to support strong management of finances and staff and excellent delivery of services to students, clients, Members and the general public.

#### **Level of reserves**

It is a requirement of OfS registration that we have a student protection plan. The Board of Trustees continues to be committed to ensuring that, in the event of cessation of a course or a service, students can complete courses they have commenced or, where possible, be transferred to an alternative course and any client work can be brought to an appropriate ending. In the event of a major reduction in recruitment which leads the Centre to take the decision to close a course that takes more than one year to complete, the Centre is committed to teaching trainees to qualification. The direct costs of maintaining tuition for courses that take more than one year and the linked support costs would taper off as each cohort of students completed their qualification. Continuing fees from the remaining students would offset costs. When a course or service finally closed staff redundancy might be incurred. The FSC has reviewed with the auditors the level of designated reserve funds needed to cover costs incurred in teaching out a course or closing or reducing MCPSCS and agreed that an ethical closure fund of £200,000 should be held (previously £260,000).

In addition, the FSC decided to retain the Premises fund, which is held to support additional premises costs or changes but reduce it from £125,000 to £100,000. In addition, the £30,000 designated fund for course development was retained.

Therefore at the end of 2020 reserves stood at:

#### *Unrestricted designated funds*

Ethical closure	£200,000
Premises	£100,000
Bursaries	£15,000
Course development	£30,000
Total designated funds:	£345,000
General reserves:	£133,831
Total reserves:	£478,831

The general reserves of £133,831 cover tangible assets of £31,357.

The Trustees will continue to keep The Minster Centre's reserves under review annually. If it looks as though reserves will be in excess of identified need, steps will be taken to support activities planned to meet the identified strategic aims.

#### **4.4 Going concern**

During the audit process the FSC, on behalf of the Board of Trustees, reviewed the level of reserves and cash held, the budget for 2021 and 2022, and the level of debtors, deferred income and on-going fees. They also considered the level of



## **The Minster Centre**

### **Trustees' report and financial statements for the Year to 31 December 2020**

interest in Minster Centre courses and external factors including the impact of Covid-19, Brexit, an economic downturn and workforce availability. These considerations were shared with the auditors. FSC and the Board have satisfied themselves that there are no material uncertainties and the Minster Centre is a going concern.

Having reviewed Charity Commission guidance on reserves, cashflow and the level of reserves, the Board is satisfied that there are no material uncertainties affecting the Centre, and so can conclude that it has a reasonable expectation that it will be a going concern for the foreseeable future, deemed to be 12 months from approving these accounts.

## **5. Future outlook for the Minster Centre**

### **5.1 Future strategic direction**

During 2019 the Board set the Centre's strategic aims for the period 2019-2024 and identified four key strands.

*Increasing the Minster Centre's ability to reach a wide range of people* – Activities to achieve this will include increasing the range of events, short courses and resources offered to the public, adding accessible resources to the website and developing research at the Minster Centre that provides greater insight into client and therapist experience in a diverse society.

*Training therapists who are particularly well equipped to work in a diverse society* – Activities will include continuing to increase the diversity of students attending Minster Centre training to reflect more fully wider society. As a target, by 2024, we are aiming for a student body that reflects the demographics of the Greater London population in terms of ethnicity and disability as BAME and disabled therapists are particularly under-represented in the profession. We will also revise our curriculum, learning resources and CPD offerings to increase the competence of Minster Centre graduates and members to work with clients from diverse communities.

*Offering accessible and affordable services to a diverse community* – As a target we will seek to increase the number of clients using MCPCS or Minster Centre partner services by 20% by 2024 and work with specialist partners to support access for groups that find it harder to access therapy, for example some BAME groups and clients with disabilities.

*Managing the Minster Centre for sustainability and growth* – We will seek to ensure that courses are full to ensure a sustainable income that will support the development of the Centre whilst maintaining an ethos of experiential training. We will also seek to ensure a strong pool of candidates for key leadership roles (succession planning) by appointing a further Deputy Director and reviewing the roles and terms of employment of Heads of Year/Course Leaders. We will plan to ensure that the Centre has secure and sustainable premises beyond 2023 (rent review) and 2028 (end of current lease).

### **5.2 Principal risks and uncertainties**

The Trustees carry out an annual risk assessment, agreeing measures to mitigate risks that would be high impact and/or have a high probability of occurrence. Risk assessment includes consideration of strategic, financial, operational, technological, human resource, and reputational risks. It also includes the duty, under the Counter-Terrorism and Security Act 2015, to have due regard to the need to prevent people

from being drawn into terrorism (the Prevent Duty). In addition to the annual review, identified risks are reviewed at Board meetings..

Key risks identified for 2020 onwards, with their mitigation measures, include:

- Failing to meet expectations to offer high-quality training or services including that they are accessible and inclusive to diverse users (Mitigation: clear feedback, active engagement with professional and accreditation bodies and quality assurance processes, staff training, specialist advice to staff and the Board).
- Major loss of income because of a drop in student numbers and / or increase in arrears / defaults on fees (Mitigation: strong financial reporting systems, monitoring of student recruitment, annual course promotion plan).
- Failure to meet regulations and requirements e.g. Data Protection, Employment Law, Consumer Protection, H&S (Mitigation: clear policies and procedures with planned reviews, staff training).
- Reputation damaged as a result of poor processes/ procedures or behaviour of staff/students. (Mitigation: culture and leadership supports living our values, positive engagement with quality assurance, clear complaints, grievance and fitness to practice procedures, Ethics Committee).
- Successfully identifying the balance of online versus in-person training and therapy post-Covid and ensuring access to the right staffing and premises to support that (cost, size, location). (Mitigation: Board review of future training mix, FSC actively looking at the resources needed to support different options).
- Loss of capabilities (key staff leave, staff performance decreases) – this risk was increased by the challenges of the Covid pandemic (Mitigation: remuneration and appraisal policies, organisational culture, commitment to management that is facilitative and developmental, careful management of staff leave and workloads, succession planning for senior staff).

## **6. Statement of responsibilities of the Trustees**

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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

The Trustees of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2019 was 14. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

#### **Auditor**

Sayer Vincent LLP was the company's auditor during the year.

This report was approved by the Trustees on 23 April 2021 and signed on its behalf by:

Nick Carley Chair

# **The Minster Centre**

## Independent auditor's report to the members of The Minster Centre

### **Opinion**

We have audited the financial statements of the Minster Centre (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006
- The requirements of the OfS's accounts direction have been met

### **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**

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.

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 Minster Centre'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

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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.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

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

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

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Independent auditor's report to the members of The Minster Centre

**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.

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 are set out below.

**Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the finance committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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Independent auditor's report to the members of The Minster Centre

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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

Judith Miller (Senior statutory auditor)  
20 July 2021  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

# The Minster Centre

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

For the year ended 31 December 2020

			2020 Total	2019 Total Restricted & Unrestricted
	Note	Unrestricted £	£	£
<b>Income from:</b>				
Charitable activities				
Training Activities		1,406,345	<b>1,406,345</b>	1,280,959
Donations		–	–	255
Minster Centre Psychotherapy & Counselling Service (MCPCS)		95,876	<b>95,876</b>	93,194
Room Hire ,Membership Income & JRS grant		54,359	<b>54,359</b>	127,980
Investment interest		1,749	<b>1,749</b>	1,783
<b>Total income</b>	2	<u>1,558,329</u>	<u><b>1,558,329</b></u>	<u>1,504,171</u>
<b>Expenditure on:</b>				
Charitable activities	3			
Training Activities		1,535,821	<b>1,535,821</b>	1,447,322
Minster Centre Therapy Service		55,171	<b>55,171</b>	64,177
<b>Total expenditure</b>		<u>1,590,991</u>	<u><b>1,590,991</b></u>	<u>1,511,499</u>
<b>Net movement in funds</b>		(32,662)	<b>(32,662)</b>	(7,328)
<b>Reconciliation of funds:</b>				
Total funds brought forward		511,493	<b>511,493</b>	518,821
<b>Total funds carried forward</b>	18	<u><u>478,831</u></u>	<u><u><b>478,831</b></u></u>	<u><u>511,493</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements. All activity in 2020 was unrestricted. In 2019 a donation of £255 was restricted.



# The Minster Centre

## Balance sheet

Company no. 02966937

As at 31 December 2020

	Note	£	2020 £	£	2019 £
<b>Fixed assets:</b>					
Tangible assets	11		<u>31,357</u>		<u>40,870</u>
			<b>31,357</b>		<b>40,870</b>
<b>Current assets:</b>					
Debtors	12	468,470		524,838	
Investments		91,305		90,626	
Cash at bank and in hand		713,442		640,605	
			<u>1,273,217</u>	<u>1,256,069</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	825,744		785,446	
<b>Net current assets</b>			<u>447,474</u>		<u>470,623</u>
<b>Total net assets</b>			<u><b>478,831</b></u>		<u><b>511,493</b></u>
<b>The funds of the charity:</b>	17				
Restricted income funds:					
Donations to Bursary fund			-		2,157
Unrestricted income funds:					
Designated funds		345,000		430,000	
General funds		133,831		79,336	
			<u>478,831</u>	<u>509,336</u>	
<b>Total unrestricted funds</b>			<u><b>478,831</b></u>		<u><b>509,336</b></u>
<b>Total charity funds</b>			<u><b>478,831</b></u>		<u><b>511,493</b></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved on 23 April 2021 and signed by:

Nick Carley  
Chair

Felicity Wright  
Accountable officer

The Minster Centre

Statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
<b>Net cash provided by operating activities</b>	19		<b>71,768</b>		<b>72,715</b>
<b>Cash flows from investing activities:</b>					
Interest from investments		<b>1,749</b>		<b>1,783</b>	
Movement in investments		<b>(679)</b>		<b>(551)</b>	
		<u>–</u>		<u>–</u>	
<b>Net cash provided by/ (used in) investing activities</b>			<b>1,070</b>		<b>1,232</b>
<b>Change in cash and cash equivalents in the year</b>			<b>72,837</b>		<b>73,946</b>
Cash and cash equivalents at the beginning of the year			<b>640,605</b>		<b>566,659</b>
<b>Cash and cash equivalents at the end of the year</b>	20		<b>713,442</b>		<b>640,605</b>

**1 Accounting policies**

**a) Statutory information**

The Minster Centre is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is 20 Lonsdale Road, Queen's Park, London NW6 6RD.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity complies with the Office for Students Regulatory advice 9: Accounts direction effective for accounting periods commencing on or after 1 August 2019.

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

**c) Public benefit entity**

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

**d) Going concern**

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

Key judgements that the charitable company has made which have a significant effect on the accounts include a thorough and detailed review of income & expenditure, and the annual review of risks and mitigation measures.

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

**e) Income**

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

**f) Interest receivable**

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

**g) Investments**

Scottish Widows deposit, 1 year fixed term, Maturity 14 January 2021. Interest rate 0.25% gross AER.

**h) Fund accounting**

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

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

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

**1 Accounting policies (continued)**

**i) Expenditure**

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

- Expenditure on charitable activities includes the costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

- |                   |       |
|-------------------|-------|
| ● Training        | 96.0% |
| ● Therapy Service | 4.0%  |

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

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**k) Operating leases**

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

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

- |  |        |
|--|--------|
| ● Leasehold Improvements – Reducing balance method | 22.20% |
| ● Computer Equipment – Straight line method        | 25%    |
| ● Office Equipment – Straight line method          | 25%    |
| ● Fixtures & Fittings – Reducing balance method    | 25%    |

**m) Debtors**

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

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. One year term deposits are accounted for as current asset investments.

**1 Accounting policies (continued)**

**o) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**p) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**q) Pensions**

The Minster Centre operates a defined contribution automatic enrolment pension scheme managed by The People's Pension. Contributions are accounted for as expenditure as they fall due.

**2 Analysis of Income**

	2020 £	2019 £
Donations	–	255
Grant income from the OfS	–	–
Grant income Job Retention Scheme	13,971	–
Fee income for Room hire & membership fees	40,388	127,980
Fee income for MCPCS	95,876	93,194
Fee income for taught awards	429,686	423,098
Fee income from non-qualifying courses	976,659	857,861
	<hr/>	<hr/>
Total grant and fee income	1,556,580	1,502,388
	<hr/> <hr/>	<hr/> <hr/>

3a Analysis of expenditure (current year)

	Charitable activities					
	Training £	MCPCS £	Governance costs £	Support costs £	2020 Total £	2019 Total £
Staff costs (Note 7)	1,045,796	38,330	–	–	1,084,127	1,015,874
Direct cost	41,825	1,746	–	–	43,571	15,416
QAA costs	3,485	–	–	–	3,485	1,775
1) Withdrawn/Deferred	46,947	–	–	–	46,947	44,900
Room hire costs	20	–	–	–	20	15
Bursaries	18,633	–	–	–	18,633	24,919
Minster Fund (Hardship fund)	4,700	–	–	–	4,700	3,439
<i>Support and governance costs:</i>						
2) Premises costs	–	–	–	289,321	289,321	286,923
Office costs	–	–	–	72,940	72,940	72,090
Professional costs	–	–	–	114	114	34
Marketing	–	–	–	7,741	7,741	15,354
Bank charges	–	–	–	1,494	1,494	2,709
Other staff costs	–	–	–	6,125	6,125	16,701
Audit and accountancy	–	–	11,760	–	11,760	11,160
Trustee meeting expenses	–	–	–	15	15	189
	1,161,407	40,076	11,760	377,749	1,590,991	1,511,498
Support costs	362,654	15,095	–	(377,749)	–	–
Governance costs	11,760	–	(11,760)	–	–	–
<b>Total expenditure 2020</b>	<b>1,535,821</b>	<b>55,171</b>	<b>–</b>	<b>–</b>	<b>1,590,991</b>	<b>1,511,498</b>
Total expenditure 2019	1,447,322	64,177	–	–	1,511,499	

All expenditure in 2019 and 2020 was unrestricted.

- 1) Withdrawn/Deferred: Represents income lost from students who have left part way through a course, those who have deferred hope to return to complete their course at a future date.
- 2) The increase in premises costs are due to an increase in service charges which varies every year.
- 3) 2019 Website=£7,507, 2020 = £2,919. Advertising 2019 = £6,670, 2020= £3,365. Decrease in costs due to completion of website.
- 4) 2019 staff training=£5,161, 2020=£1,542. 2019 staff travel & subsistence=£4,423, 2020=£288. Change due to building shutdown, also reflected in other costs such as refreshments.

## 3b Analysis of expenditure (prior year)

	Charitable activities					
	Training £	MCPCS £	Governance costs £	Support costs £	Total 2019 £	Total 2018 £
Staff costs (Note 7)	968,830	47,044	–	–	1,015,874	856,083
Direct cost	15,160	256	–	–	15,416	45,056
QAA costs	1,776	–	–	–	1,776	5,480
1) Withdrawn/Deferred	44,900	–	–	–	44,900	23,619
Room hire costs	15	–	–	–	15	–
Bursaries	24,919	–	–	–	24,919	2,643
Hardship grants	3,439	–	–	–	3,439	1,950
<i>Support and governance costs:</i>						
Premises costs	–	–	–	286,923	286,923	176,169
Office costs	–	–	–	72,090	72,090	41,488
Professional costs	–	–	–	34	34	180
2) Marketing	–	–	–	15,354	15,354	8,087
Bank charges	–	–	–	2,709	2,709	2,034
Other staff costs	–	–	–	16,701	16,701	5,036
Audit and accountancy	–	–	11,160	–	11,160	10,350
Trustee meeting expenses	–	–	189	–	189	295
	1,059,040	47,300	11,349	393,810	1,511,499	1,178,470
Support costs	376,933	16,877	–	(393,810)	–	–
Governance costs	11,349	–	(11,349)	–	0	–
<b>Total expenditure 2019</b>	<b>1,447,322</b>	<b>64,177</b>	<b>–</b>	<b>–</b>	<b>1,511,499</b>	<b>1,178,470</b>

All expenditure in both years was unrestricted.

- 1) Withdrawn/Deferred: Represents income lost from students who have left part way through a course, but either hope to return to complete their course at a future date or whose remaining fees for the year have been waived because of exceptional extenuating circumstances.
- 2) Increase in expenditure due to website development.



**4 Grant making**

	Grants to individuals £	Support costs £	2020 £	2019 £
<b>Cost</b>				
Training bursaries & hardship funds	23,333	–	23,333	24,919
At the end of the year	23,333	–	23,333	24,919

All grants made in 2020 were to individuals.

**5 Access and participation expenditure**

Declaration of expenditure on access and participation is a requirement of the Office for Students (OfS) for HE institutions that have an agreed Access and Participation Plan. The Minster Centre does not have an agreed OfS Access and Participation Plan because it does not offer any undergraduate programmes.

**6 Net outgoing resources for the year**

This is stated after charging / crediting:

	2020 £	2019 £
Depreciation	9,513	15,682
Operating lease rentals:		
Property	247,466	249,078
Auditor's remuneration (excluding VAT):		
Annual audit	9,400	9,300

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

Staff costs were as follows:

	2020 £	2019 £
Self-employed	34,712	48,536
Staff costs	969,064	894,542
Social security costs	65,405	58,579
Employer's contribution to defined contribution pension schemes	14,946	14,217
	1,084,127	1,015,874

Staff costs rose in 2020 because of an increase in short courses and a transition to working from home, which included more IT support.

No employee earned more than £60,000 during the year (2020: nil).

Key management personnel are the Minster Centre Senior Management Team. This consists of one Director and two Deputy Directors. All three posts are part-time. The total employee benefits (including pension contributions and employer's national insurance) to the Senior Management Team in 2020 were £113,704 (2019 £127,498).

## 8 Senior staff pay

In the year (2019 – Nil) the charity had no staff paid over £100,000, based on a full time equivalent basis.

The head of the provider's remuneration details are as set out below;

	2020 £	2019 £
Basic salary	46,058	45,288
Payments in lieu of pension contributions	–	–
Performance related pay	–	–
Pension contributions	1,195	1,176
Salary sacrifice	–	–
Other taxable benefits	–	–
Non-taxable benefits	–	–
	<b>47,253</b>	<b>46,464</b>

The same individual held the post during both periods.

There were no taxable or non-taxable benefits.

The head of the provider's remuneration is determined by the Remuneration Sub-Committee (RSC) taking into account comparisons with national charity pay levels, remuneration in Higher Education, and the ratios of highest to lowest and highest to median rates of pay in the Centre taking into account the Centre's financial position and strategic priorities, cost of living increases, recruitment and retention rates.

The head of the provider's total remuneration is 2.2 times (2019 – 2.3 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff and 3.2 times the lowest rate of pay.

No staff received severance payments during the year (2019 – £0).

## 9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows. Full-time equivalent (FTE) numbers are also given:

	2020		2019	
	Headcount No.	FTE No.	Headcount No.	FTE No.
Training Activities	53.7	11	38.8	10.8
Therapy Service	2.0	1.7	2.0	1.7
Support	11.7	7.2	10.7	7.0
Governance	1.3	0.6	1.3	1.3
	<b>68.7</b>	<b>20.6</b>	<b>52.8</b>	<b>20.8</b>

## 10 Related party transactions

Payments for supply of goods or services by trustees comply with the Articles of Association page 4 & 5, Section 7.

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2019: £nil).

Staff Trustee Mark Gullidge & the Director Lissie Wright received their salaries but no additional payments in respect of their role as Trustees.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £15 was incurred by one member relating to attendance at meetings of the trustees (2019: £449 relating to four trustees).

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

## 11 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Office equipment £	Total £
<b>Cost or valuation</b>					
At the start of the year	276,715	9,318	5,206	6,787	298,026
At the end of the year	276,715	9,318	5,206	6,787	298,026
<b>Depreciation</b>					
At the start of the year	237,856	9,318	3,704	6,278	257,156
Charge for the year	8,628	–	376	509	9,513
At the end of the year	246,484	9,318	4,080	6,787	266,669
<b>Net book value</b>					
At the end of the year	30,231	–	1,126	–	31,357
Net book value					
At the start of the year	38,859	–	1,502	509	40,870

All of the above assets are used for charitable purposes.

## 12 Debtors

	2020 £	2019 £
Trade debtors	391,762	448,345
Prepayments	76,708	76,493
	<b>468,470</b>	<b>524,838</b>

## 13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	9,764	6,715
Taxation and social security	28,715	5,704
Other creditors	63,354	34,491
Accruals	33,977	28,490
Deferred income	689,934	710,046
	<b>825,744</b>	<b>785,446</b>

#### 14 Deferred income

Deferred income comprises student invoices covering an academic year. Since invoices are issued in September of each year, one third is shown in the income for that year and two thirds are deferred until the following year.

	2020 £	2019 £
Balance at the beginning of the year	710,046	658,598
Amount released to income in the year	(710,046)	(658,598)
Amount deferred in the year	689,934	710,046
Balance at the end of the year	<u>689,934</u>	<u>710,046</u>

#### 15 Pension scheme

The Minster uses The People's Pension scheme as its sole provider. 44 employees were enrolled in the scheme December 2020 (2019: 35).

#### 16 Taxation

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

#### 17a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	31,357	–	–	31,357
Net current assets	102,474	345,000	–	447,474
Net assets at the end of the year	<u>133,831</u>	<u>345,000</u>	<u>–</u>	<u>478,831</u>

#### 17b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	40,870	–	–	40,870
Net current assets	38,466	430,000	2,157	470,623
Net assets at the end of the year	<u>79,336</u>	<u>430,000</u>	<u>2,157</u>	<u>511,493</u>

## 18a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Donations to bursary fund	2,157	–	(2,157)	–	–
<b>Total restricted funds</b>	<b>2,157</b>	<b>–</b>	<b>(2,157)</b>	<b>–</b>	<b>–</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Course Development	30,000	–	–	–	30,000
Premises	125,000	–	–	(25,000)	100,000
Ethical Closure	260,000	–	–	(60,000)	200,000
Bursary fund	15,000	–	(21,176)	21,176	15,000
<b>Total designated funds</b>	<b>430,000</b>	<b>–</b>	<b>(21,176)</b>	<b>(63,824)</b>	<b>345,000</b>
<b>General funds</b>	<b>79,336</b>	<b>1,558,329</b>	<b>(1,567,658)</b>	<b>63,824</b>	<b>133,831</b>
<b>Total unrestricted funds</b>	<b>509,336</b>	<b>1,558,329</b>	<b>(1,588,834)</b>	<b>–</b>	<b>478,831</b>
<b>Total funds</b>	<b>511,493</b>	<b>1,558,329</b>	<b>(1,590,991)</b>	<b>–</b>	<b>478,831</b>

## 18b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
<b>Unrestricted funds:</b>					
Designated funds:					
Course Development	30,000	–	–	–	30,000
Premises	125,000	–	–	–	125,000
Ethical Closure	260,000	–	–	–	260,000
Bursary fund	15,000	–	(24,919)	24,919	15,000
<b>Total designated funds</b>	<b>430,000</b>	<b>–</b>	<b>(24,919)</b>	<b>24,919</b>	<b>430,000</b>
<b>General funds</b>	<b>86,919</b>	<b>1,503,916</b>	<b>(1,486,580)</b>	<b>(24,919)</b>	<b>79,336</b>
<b>Total unrestricted funds</b>	<b>516,919</b>	<b>1,503,916</b>	<b>(1,511,499)</b>	<b>–</b>	<b>509,336</b>
<b>Total funds</b>	<b>518,821</b>	<b>1,504,171</b>	<b>(1,511,499)</b>	<b>–</b>	<b>511,493</b>

## Purposes of designated funds

Premises: This fund will be used to enable the charity to repair or improve their premises or support a move to new premises.

Ethical Closure: This fund will be used to ensure that, should training numbers reduce to the point where they are no longer viable, students already part-way through their courses will be offered a means to complete their training. The level of this fund was reviewed in 2020.

Course development: The Trustees agreed an additional fund for 2020 to support the development of existing and new psychotherapy or counselling courses.

Bursary: This fund will be used to ensure we could continue to support students already in receipt of bursaries in the event of a reduction of income.

## 18 Movements in funds (continued)

### General funds

The Charity is required to reinvest profits from its training activity back into training work to benefit from its VAT exemption.

### Restricted funds:

£0 (2020 – £255) was donated to the Bursary fund by individuals at The Minster Centre.

£23,333 (2019 – £24,919) was awarded as bursaries in 2020.

## 19 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
<b>Net expenditure for the reporting period (as per the statement of financial activities)</b>	<b>(32,662)</b>	<b>(7,328)</b>
Depreciation charges	9,513	15,682
Interest from investments	(1,749)	(1,783)
Decrease in debtors	56,368	13,301
Increase in creditors	40,298	52,843
<b>Net cash provided by operating activities</b>	<b>71,768</b>	<b>72,715</b>

## 20 Analysis of cash and cash equivalents

	At 1 January 2020 £	Cash flows £	Other changes £	At 31 December 2020 £
Cash at bank and in hand	77,608		–	<b>77,608</b>
Notice deposits (less than three months)	564,066	71,768		<b>635,834</b>
<b>Total cash and cash equivalents</b>	<b>641,674</b>	<b>71,768</b>	<b>–</b>	<b>713,442</b>

## 21 Operating lease commitments

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

	Property 2020 £	2019 £
Less than one year	236,774	236,774
One to five years	710,322	947,098
	<b>947,096</b>	<b>1,183,872</b>

## 22 Legal status of the charity

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

## 23 Governance arrangements

The Minster Centre's Board of Trustees is responsible for ensuring that the Centre maintains an effective system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding assets for which it is responsible.

Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 December 2020 and up to the date of approval of the financial statements, and accords with Office for Students guidance.

The Board of Trustees has delegated the day to day responsibility to the Director, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The following processes are in place to ensure the effectiveness of the Centre's internal control and risk management:

The Board of Trustees meets at least five times a year to consider the plans and strategic direction of the Centre. This includes reviewing the strategic plan or key strategic issues (usually at a dedicated meeting in June). It is advised by its key committees, receiving regular reports from each committee and other reports from management as required.

The Board of Trustees ensures that its meeting calendar enables risk management and internal control to be considered on a regular basis during the year.

An organisation-wide risk register is maintained. The register is reviewed and updated regularly, and the Director reports on the actions taken to mitigate risks. The Board reviews the Risk Register at least annually, usually at its January meeting, and considers an identified risk at each meeting. During 2020 the Board met more frequently and reviewed the impact of Covid-19 at each meeting.

Consideration is given to the full range of risks across the Centre, including business, operational, financial, reputational and compliance and focuses on reviewing the most important risks and the actions taken to mitigate them. Review of risk includes consideration of new or emerging risks.

Monthly management accounts are presented to the Director and Finance Sub-Committee and the Board reviews management accounts at each of its meetings.

The annual budget and financial forecasts are presented to the Finance committee ahead of formal approval by the Board of Trustees.

The Centre has a remuneration policy and senior staff pay is determined by a Remuneration Sub-Committee (RSC) taking into account comparisons with national charity pay levels, remuneration in Higher Education and the ratios of highest to lowest and highest to median rates of pay. The RSC also agrees and annually reviews the overall approach to staff pay and any annual pay increases.

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing the Centre's significant risks; that it has been in place for the year ended 31 December 2020 and up to the date of approval of the annual accounts and that it is regularly reviewed by the Board. These processes enable the Centre to identify those elements of internal control which require further strengthening and these reviews have not identified any significant area of internal control weakness for the Centre.