

THE METANOIA INSTITUTE

England & Wales · Charity number 1050175

Details

Status	Registered
Legal form	Charitable company
Company number	02918520
Registered	1995-10-27
Register	View on the Charity Commission register

Contact

Address	Metanoia Institute 13 North Common Road London W5 2QB
Phone	02088323078
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Website	www.metanoia.ac.uk

Activities

Objects: (A)TO PROMOTE THE PHYSICAL AND MENTAL HEALTH OF THE PUBLIC PARTICULARLY BY THE THE PRACTICE OF PSYCHOTHERAPY AND COUNSELLING (B)TO PROMOTE EDUCATION PARTICULARLY IN THE FIELD OF PSYCHOTHERAPY AND COUNSELLING (C)TO UNDERTAKE ANY OTHER CHARITABLE ACTIVITY.

Activities: Metanoia Institute provides education and training in psychological therapies and allied professions e.g. coaching psychology. Metanoia Institute provides counselling to the wider community through its counselling and psychotherapy service staffed by students. Metanoia Institute undertakes research in the psychological therapies.

Classification

- **How:** Provides Human Resources, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

Geography

- Bath And North East Somerset
- Cheshire East
- Ealing

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£5,963,737	£5,834,233	£4,877,100	189
2023-08-31	£5,958,334	£5,716,934	£4,747,596	185
2022-08-31	£5,182,446	£5,522,665	£4,506,196	167
2021-08-31	£5,422,274	£4,867,640	£4,846,415	78
2020-08-31	£4,461,830	£4,312,678	£4,291,782	57

Trustees

Name	Role	Appointed
Sally-Ann Glen	Chair	2022-09-01
Anthea Jane Bamford		2025-01-01
Caitlyn Owen		2026-04-23
DOTUN OLALEYE ACCA		2016-07-19
David Marchant		2026-04-16
Gillian Alexandra McGrattan		2025-01-27
Heather Salway		2025-01-09
Nafeesa Mitha Timmins		2022-02-03
SANJAY SHAH		2026-04-16

Accounts

The Metanoia Institute

Annual Report and Financial Statements

31 August 2024

Charity Registration Number
1050175

Company Registration Number
02918520 (England and Wales)

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Reference and administrative details Year to 31 August 2024

Trustees	Professor Sally Glen (Chair) Dotun Olaleye (Vice Chair) Kelvin Jones Nafeesa Mitha Neil Laventure The trustees are appointed by resolution for a term of up to four years and thereafter for three year terms for a maximum of four consecutive terms.
Company secretary	Najaba Riaz (until 05/03/2024) Lauren Phipps (from 15/04/2024)
Chief Executive Officer	Dr Hannah Friend
Director of Finance	Samuel Akinwonmi (Until 13/12/23) Shahzad Asghar (from 20/11/23)
Registered office	13 North Common Road Ealing London W5 2QB
Additional training premises	13 Gunnersbury Avenue Ealing London W5 3XD
Faculty Heads	
Faculty 1: Faculty of Psychotherapy and Counselling	Dr Di Hodgson
Faculty 2: Post-Qualification and Professional Doctorates, Research Strategy and Innovation	Dr Biljana van Rijn
Faculty 3: Faculty of Applied Social and Organisational Sciences Research Strategy and Innovation	Dr Peter Pearce

Reference and administrative details Year to 31 August 2024

Company registration number 02918520

Charity registration number 1050175

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers HSBC Bank plc
46 The Broadway
London
W5 5JZ

Solicitors Bates Wells & Braithwaite LLP
2-6 Cannon Street
London
EC4M 6YH

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Metanoia Institute ("the Institute") is a charitable company limited by guarantee and was established on 8 April 1994. It is governed by a Memorandum and Articles of Association.

Metanoia Institute's registered charity number is 1050175 and the company registered number is 02918520.

The Trustees, who are also directors of the Metanoia Institute for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 August 2024. These have been prepared under the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and comply with the latest Office for Students' Accounts Direction.

Governance Structure

Metanoia Institute's governance arrangements have been developed to ensure compliance and best practice is maintained across the organisation. It is recognised that good governance is essential to the maintenance of academic standards, the quality of the student learning experience and effective organisational management.

The Board of Trustees is the senior body acting with legal and strategic accountability for Metanoia Institute. The various authorities and actions pertaining to the Board of Trustees are detailed in two formal documents: the organisation's Articles of Governance and Articles of Association. These include: responsibility for corporate governance, corporate performance monitoring, financial stewardship and the on-going management, appraisal and support of the Chief Executive Officer.

The work of the Board of Trustees is supported by three specialist sub-committees: the Finance (FSC), Audit and Risk (ARSC), and Staffing and Remuneration (SARSC). The purpose of the Finance Sub-Committee and the Audit and Risk Sub-Committee is to assist the Board of Trustees in fulfilling their statutory financial responsibilities and in discharging their duties diligently and efficiently. The purpose of the Staffing and Remuneration Sub-Committee is to oversee and support policies and practice in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation.

At the functional level, there is a clear division of responsibility between the Executive Committee (which oversees all matters pertaining to the strategic, financial and operational management of the Institute) and Academic Board (which oversees all matters pertaining to programmes, academic and student lifecycle management as well as quality assurance and enhancement).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance Structure (continued)

The **Executive Committee** comprises the Chief Executive Officer, the three Faculty Heads with the Director of Finance, (with the Registrar, Facilities Manager and Human Resources Manager, as well as other specialist staff, in attendance on an as-needs basis). From 3rd January 2024 a Director of People and Culture joined the membership of this committee. Its core purposes are to enact the decisions of the Board of Trustees, to manage the Institute's day-to-day operations and to be accountable for the financial management of the Institute. Furthermore, the Executive ensures that an appropriate level of consideration is given to strategic decisions, that there is accountability for those decisions and that effective leadership of, and communication with, staff across the Institute is achieved. The key responsibilities of the Executive are to deliver the strategic and operational plans of the Institute as well as to agree policies and effect implementation to support that delivery.

The **Academic Board** comprises the Chief Executive Officer, Director of Education, the three Faculty Heads, the Director of Finance, and Registrar as well as academic staff, support staff and student representatives.

Its core purpose is to act as Metanoia Institute's principal academic authority. The Academic Board guides the Institute's academic development, the setting and maintenance of threshold academic standards and the quality of the student experience, oversees quality assurance and enhancement and determines and authorises curriculum content.

The Academic Board is also responsible for the development of the Strategic Plan as regards portfolio, research, learning, teaching and assessment and for overseeing the validation and review of programmes, the admission of students and all areas pertaining to academic delivery and support.

To enable the Executive Committee and Academic Board to carry out these manifold tasks, **seven sub-committees** (Clinical Ethic; Quality and Standards; Learning, Teaching and Enhancement; Joint Staff Student; Research; Research Ethics; Equality, Diversity and Inclusion) have been established and are operating in a deliberative context. Each sub-committee is chaired by a Faculty Head or other senior manager and comprises a broad membership of staff and student representatives that encourages robust and effective ideas-generation and decision-making throughout the Institute.

Committee servicing is jointly managed by the Professional Bodies and Internal Academic Support Manager (From April 2024 - the Executive Officer) and Academic Quality Manager (From May 2024 - the Academic Governance Officer). The former is responsible for diarising and resourcing committee meetings and overseeing the performance of the secretariat. The latter is responsible for brokering the relationships that exist between Metanoia Institute's various committees and sub-committees and for monitoring actions required by the committees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Vision 2023-2028

To Lead the way in therapy education and training, cultivating an outstanding, culturally responsive, and highly skilled psychological workforce. We aim to transcend barriers, making therapy accessible to every corner of society, using our influence to create impactful and positive change.

Core Purpose

1. **Education** – We will provide a transformative and enriching teaching and learning experience that empowers students to achieve their potential and inspires them to make a positive impact in their communities. We will nurture a supportive learning environment that fuels growth, sparks creativity, and cultivates critical thinking, using research to continuously explore and implement evidence-based approaches for the most effective and impactful educational experience.
2. **Training** – We will deliver programmes that integrate clinical practice with academic rigour underpinned by research to provide well-defined and flexible training pathways that lead to immediate employability across all sectors, allowing graduates to make a meaningful impact from day one.

Metanoia Institute's Strategic Aims support the pursuit of the Vision and Purpose as follows:

Strategic Aims

Strategic Aim 1: To foster a culture of Inclusion that promotes diversity, equity and belonging for all students and staff, through inclusive teaching practices, an inclusive curriculum, and an inclusive environment.

Strategic Aim 2: To drive Innovation across all aspects of our institution by modernising education design and delivery methods, upgrading supporting infrastructure, enhancing our brand, and marketing efforts, and leveraging digitisation. To offer teaching, training and lifelong learning of the highest quality.

Strategic Aim 3: To become an Intelligence-led institution that prioritises data driven decision making, evidence-based education and practice and a student-centred approach, whilst staying ahead of emerging trends in Higher Education

Strategic Aim 4: To ensure the long-term Sustainability by becoming an autonomous organisation, maximising growth and income opportunities, and embedding sustainable development principles across all our plans including financial security.

Metanoia Institute's decision to work towards Degree Awarding Powers (DAPs) is a collective reflection of the aspirations of our Board of Trustees, Executive, Administration, Support Staff and the Student Body. This particular objective is to consolidate the Institute's position in Higher Education by attaining DAPs, potentially leading to University Title, and to ensure sustainability of the organisation. The organisation has a clear route and timetable in place for the assessment phase of this process, to be concluded at the end of 2025.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Reasons for Seeking Degree Awarding Powers

Metanoia Institute is a mature institution, having been engaged in the development, delivery, and assessment of higher education programmes since 1984.

Four of the Institute's programmes (MSc Gestalt Psychotherapy, MSc Integrative Psychotherapy, MSc Transactional Analysis Psychotherapy and BA (Hons) Person-Centred Counselling) having been in continuous delivery for more than twenty years, and the DPsych is currently recruiting its twenty second cohort. Recruitment and outcomes continue to be positive, and even in the face of recent pressures faced by Higher Education, these programmes have continued to grow.

Metanoia Institute is confident that it has the capacity to act as an autonomous academic community, to determine the awards that it offers, to set and maintain the academic standards of those awards and to assure and enhance the quality of the student experience in delivering those awards.

Securing Degree Awarding powers also secures the organisation's future, allowing for innovation and growth to occur.

Management Structure

Metanoia Institute's Chief Executive Officer is appointed by, and responsible to the Board of Trustees for implementing the decisions of the Board of Trustees, for the day-to-day executive direction and management of the Institute and for the leadership of all staff.

The Chief Executive Officer line manages the Director of Education, the two of the Faculty Heads, Director of Finance, Head of Human Resources (Director of People and Culture from 3rd Jan 2024) as well as the Facilities Manager (Head of Operations from 1st December 2023), Head of Marketing and Communications and the Professional Bodies and Internal Academic Manager (Executive Officer from April 2024) this group comprises the Institute's Senior Management Team.

Each Faculty Head has operational management responsibility for their Faculty, a specific portion of the academic portfolio, as well as line management responsibility, for a portion of the complement of academic staff, administration and support staff. Details of staff numbers are provided in note 3 of these financial statements.

Academic Provision

Metanoia Institute's provision is grouped into three distinct faculties:

- ◆ The Faculty of Psychotherapy & Counselling;
- ◆ The Faculty of Post-Qualification & Professional Doctorates and Research Strategy and Innovation.
- ◆ The Faculty of Applied Social and Organisational Sciences.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

The **Faculty of Psychotherapy and Counselling (Faculty 1)** oversees the work of staff and students involved in eight 'core' programmes:

- ◆ Bachelor of Arts (Honours) Person-Centred Counselling;
- ◆ Bachelor of Science (Honours) Humanistic Counselling;
- ◆ Bachelor of Science (Honours) Reflective Therapeutic Practice;
- ◆ Master of Science Contemporary Person-Centred Psychotherapy and Applications;
- ◆ Master of Science Gestalt Psychotherapy;
- ◆ Master of Science Humanistic Psychotherapy;
- ◆ Master of Science Integrative Psychotherapy; and
- ◆ Master of Science Transactional Analysis Psychotherapy.

The **Faculty of Post-Qualification & Professional Doctorates (Faculty 2)** oversees the work of staff and students involved in the following four programmes as well as other Doctoral developments:

- ◆ The Doctorate in Psychotherapy by Professional Studies;
- ◆ The Doctorate in Psychotherapy by Public Works;
- ◆ The Doctorate in Counselling Psychology and Psychotherapy by Professional Studies; and
- ◆ Doctor of Philosophy.

Research Strategy and Innovation (Faculty 2) oversees the work of staff and students involved in research across the Institute and with external partners in the following ways:

- ◆ Research Centre: faculty-wide research activities and events;
- ◆ Research projects with other universities and research partners;
- ◆ Research Clinic and the development of research practice;
- ◆ The Ealing Borough Consortium; and
- ◆ Maximise Research and Research Income.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

The **Faculty of Applied Social & Organisational Sciences (Faculty 3)** oversees the work of staff and students involved in the following programmes and counselling services:

- ◆ Master of Arts Therapeutic Fostering and Adoption;
- ◆ Master of Science Creative Writing for Therapeutic Purposes;
- ◆ Post Qualification Conversion Diploma from Adult to Adolescent and School Counselling;
- ◆ Post Qualification, IAPT licensing, Practitioner and Supervisor Training Counselling for Depression;
- ◆ Ethos Schools Based Humanistic Counselling Randomised Controlled Trial; and
- ◆ The Metanoia Schools Counselling Service.

In addition to the higher education provision listed above, Metanoia Institute continues to offer professional clinical diploma routes for those students who wish to register as practitioners but who do not seek an academic qualification. These programmes are taught alongside the award-bearing programmes and overseen by the Faculty of Applied Psychotherapy and Counselling:

- ◆ Diploma in Gestalt Psychotherapy;
- ◆ Diploma in Humanistic Counselling;
- ◆ Diploma in Humanistic Psychotherapy;
- ◆ Diploma in Integrative Psychotherapy;
- ◆ Diploma in Person-Centred Counselling;
- ◆ Diploma in Person-Centred Psychotherapy;
- ◆ Diploma in Transactional Analysis Counselling; and
- ◆ Diploma in Transactional Analysis Psychotherapy.

Metanoia Institute offers a range of continuing professional development (CPD) courses (ranging from evening workshops to multi-day professional certificates) that are open to students, staff, alumni and independent practitioners.

The student population

Metanoia Institute's student population stood at 1206 in 2023/24 of whom 176 are enrolled on Doctoral programmes, 683 on taught post-graduate programmes, 177 on taught undergraduate programmes and 170 on professional programmes.

Metanoia Institute recruits both nationally and internationally, with 82% of the Institute's current students coming from the UK, 2% from within the EU and less than 1% from outside

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The student population (continued)

the EU. Within the UK, 46% came from London, 15% from the South-East and 11% from the remainder of the UK. Approximately 15% remain unknowns and 9% of UK domiciled students remain non-categorised, but we are working on improving our data capture.

Metanoia Institute's student body is both atypical and diverse, with a gender ratio of 55% female to 16% male (719:207) and an average age of 44 across all programmes. 10% of the Institute's students identify as belonging to the Lesbian, Gay, Bisexual, Transsexual Queer or Intersex (LGBTQI) community, 11% identify as coming from a black or minority ethnicity (BME) background and 9% have disclosed a specific disability.

Quality monitoring

Quality monitoring is undertaken via the following:

- ◆ Assessment Boards;
- ◆ Board of Studies;
- ◆ University Validation Bodies (MDX);
- ◆ Accreditation Boards (BPS, BACP, BAC, EAP, HCPC, UKCP);
- ◆ University Annual Monitoring Reports; and
- ◆ External Examiner Reports.
- ◆ OfS Conditions of Registration

How our activities deliver public benefit

The Trustees have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on Public Benefit.

The Trustees and senior management team took account of the public benefit requirements whilst setting the strategic plan. The Trustees and senior management team believe that all of Metanoia Institute's objects are linked to the provision of public benefit.

Examples of public benefit with regard to our educational services include:

- ◆ The provision of a range of training courses in psychological therapy;
- ◆ The provision of a range of optional academic qualifications for students undertaking a first training in psychological therapy from BA (Hons) to Doctoral level;
- ◆ The provision of additional academic qualifications to practitioners qualified in psychological therapy;
- ◆ The provision of a range of workshops suitable for continuing professional development needs;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

How our activities deliver public benefit (continued)

- ◆ The provision of increased public learning and knowledge about psychological therapy, as a result of research undertaken within the Metanoia Institute; and
- ◆ Counselling within Schools.

A key feature of the Institute's public benefit with regard to educational services is the provision of bursaries. The Trustees believe that students' learning is enhanced in a diverse community and Metanoia students come from a range of ethnic and economic backgrounds.

Examples of public benefit with regard to clinical services include:

- ◆ The Metanoia Counselling and Psychotherapy Service (MCPS) provides accessible services to the local community. The growth of the Research Clinic within the Metanoia Counselling and Psychotherapy Service demonstrates the Institute's commitment to the provision of effective psychological therapies. Clients, together with their counsellor/psychotherapist, complete a number of psychological testing measures on a regular basis which are then analysed. Examples of measures to be used include the Patient Health Questionnaire-9 (PHQ-9) to measure depression and to measure the severity of anxiety, the Generalised Anxiety Disorder Assessment (GAD-7). Results of the research will be used to ensure the effectiveness of training and therefore services.
- ◆ The provision of an in person and online (video) assessment to ascertain whether a potential client is suitable for counselling/psychotherapy within MCPS. Fees for assessment are charged at £25, with an option to charge £10 for those on benefits or students.
- ◆ The provision of lower cost counselling and psychotherapy services to the general public, available as either a face-to-face provision or online (video). Fees are charged on a sliding scale dependent on the client's ability to pay. The maximum fee is £35 per session and the minimum fee for daytime sessions is £5 per session which is typically less than 10% of the fee charged by therapists in private practice. The minimum fee for evening sessions is £15. Minimum fees are reserved for those on benefits or students.
- ◆ The provision of counselling for a period of up to six months, with the option of extending this for the duration of the student's placement at MCPS. Access to MCPS counselling via the local Primary Care Trust is usually restricted to four, six or twelve sessions.
- ◆ The provision of a range of different approaches to counselling and psychotherapy to offer clients a choice of a preferred mode

Achievements and performance

The principal activity is the provision of training courses in counselling, psychotherapy and counselling psychology and other associated therapies. The Institute also runs a lower cost clinic service. There has been no change in the policies adopted by the Institute to achieve its objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Achievements and performance (continued)

The training is provided using the services, on a part time basis, of qualified trainers in counselling, psychotherapy and counselling psychology. Many students are qualified professionals in the healthcare field. The courses are run on a part-time basis, normally at weekends and lead to a qualification after three or more years. New funding for research via counselling in schools' activity also contributed to an increase in income.

Metanoia Institute continued to invest in its rolling programme of repairs and replacements, ensuring that student facilities are maintained to the highest standards.

Premises

Metanoia Institute fully owns its two properties at North Common Road and Gunnersbury Avenue, which were recently valued at approximately £6,000,000.

Fundraising

The Institute does not solicit donations and is not registered with the Funding Regulator. If a donation is received from an individual, the Institute applies GDPR rules. There have been no complaints received in the year in respect of fundraising.

FUTURE PLANS

Attaining Degree Awarding Powers

A major focus is preparing for the acquisition of degree-awarding powers, which is targeted for end of 2025. This requires investment in infrastructure, governance, academic processes, and staffing, all of which will be reflected in financial planning.

Education and Training Delivery

Metanoia continues to provide dual delivery approach, originally a product of the pandemic. However, this has now been further incorporated into future plans and programme revalidation to encompass a greater level of formal blended learning. This aligns with our strategic aims to increase accessibility to training and to diversify the psychological workforce, by increasing flexibility.

There will provide sufficient face-to-face teaching opportunities to ensure the continuity of the fundamentals of Metanoia Institute training; those being teaching which fosters relational learning and requires interpersonal, experiential opportunities. However, high-quality teaching and learning will also be offered online, producing a blended offer.

Investment in Digital Infrastructure

Continued investment in digital platforms, such as the implementation of Quercus (student information system), aimed at improving operational efficiency and student experience.

FUTURE PLANS (continued)

Investment in Digital Infrastructure (continued)

Financial plans will account for ongoing costs related to system upgrades, training, and IT support.

Real Estate and Space Management

Financial commitments toward estates maintenance, space management, and possible expansion or optimisation of facilities are a part of future planning, including potential revenue generation from room rentals.

Staff Development and Organisational Change

Investment in staff development to ensure that employees are equipped to handle ongoing change, particularly in light of leadership transitions and organisational growth. This includes training, leadership development programs, and efforts to maintain high levels of staff engagement.

FINANCIAL REVIEW

Financial performance

The incoming resources for the year amounted to £5,963,737 (2023: £5,958,334). This represents a modest increase of 0.09% on the previous year. This slight uptick is primarily attributed to a notable increase in investment income, complemented by a marginal rise in course fee income.

Expenditure for the year amounted to £5,834,233 (2023: £5,716,933), an increase of £117,300 (2.05%). This modest increase is consistent with our financial planning and budgeting for the year. The rise in expenditure aligns with our operational expectations and reflects the ongoing commitment to maintaining the quality and standards of our education offerings.

As a result of the above, surplus for the year was £129,504 (2023: surplus of £241,401).

Reserves policy and going concern

The Trustees define free reserves in accordance with Charity Commission guidelines in that they are generally unrestricted funds less tangible fixed assets, net of any related loans and excluding designated funds.

The Trustees have reviewed the Institute's reserves policy and have decided to set free reserves at the equivalent of three months operating expenses, which approximates to £1,300,000. Trustees have agreed to review the level of reserves annually to ensure the appropriateness of the agreed level and any action required to adjust funds held in reserves. At 31 August 2024, free reserves amounted to £2,666,452 (2023: £2,449,683) which is above the target. However, future plans include significant capital investment within the next two years and reserves are being held above target to achieve this plan.

FINANCIAL REVIEW (continued)

Reserves policy and going concern (continued)

After making appropriate enquiries, including student enrolment numbers for 2024/25 academic year the Board of Trustees considers that the organisation has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

We do not have a pension liability. We do have funds invested within a high street bank.

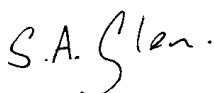
RISK MANAGEMENT

The Trustees have formally re-assessed and reviewed the major risks to which the Institute is exposed to. Particular attention has been paid to the risks associated with the economic climate. The effectiveness of control systems in mitigating the Institute's exposure to these risks have also been assessed. The key risks to the Institute, and measures to mitigate these risks, are listed below:

- ◆ Reputation – The Institute maintains quality and standards and ensures compliance in all areas, whilst also ensuring student involvement and engagement.
- ◆ Technology – The Institute ensures systems are up to date, encrypted and appropriate for business purposes and processes.

Risk assessment continues to be an ongoing process at the Institute.

Trustees' Report approved by the Trustees on 26 November 2024 and signed on their behalf by:



Chair of Trustees
Professor Sally Glen

Statement of Corporate Governance and Internal Control Year to 31 August 2024

The following statement is provided to enable readers of the annual report and financial statements of Metanoia Institute to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2023 to 31 August 2024 and up to the date of the approval of the annual report and financial statements.

Metanoia Institute endeavours to conduct its business;

1. Having due regard to the UK Corporate Governance Code in so far as it is applicable to the Higher Education Sector.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Board of Trustees recognises that as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

Legal Status

The Metanoia Institute is a Registered Charity and a Private Limited Company by guarantee without share capital use of limited exemption.

The Board of Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

Statement of Corporate Governance and Internal Control Year to 31 August 2024

The Board of Trustees

The members who served on the Board of Trustees during the year and up to the date of signature of this report are listed below. The next AGM is due to take place in February 2024.

Board of Trustees

Name	Category of Membership	Date first appointed	Expiry of Term in office	Date of Reappointment / Retirement	Attendance 01/09/23 - 31/08/24
Professor Sally Glen	Chair	01/09/2022	01/09/2026	N/A	4 of 4
Helen Coleman	Trustee	26/11/2019	26/11/2023	Resigned 20/09/2023	3 of 4
Kelvin Jones	Trustee	26/11/2019	26/11/2026	N/A	3 of 4
Dotun Olaleye	Trustee	10/05/2016	22/02/2027	N/A	2 of 4
Nafeesa Mitha	Trustee	03/02/2022	03/02/2026	N/A	2 of 4
Neil Laventure	Trustee	11/01/2023	11/01/2027	N/A	3 of 4
<u>In Attendance:</u>					
Dr Hannah Friend	Chief Executive Officer	N/A	N/A	N/A	N/A
Shahzad Asghar	Finance Director	N/A	N/A	N/A	N/A
Najabat Riaz/Lauren Phipps	Secretary	N/A	N/A	N/A	N/A

* N.B. The term of office is given here as a maximum period of four renewals of a four-year term, as described in the Articles of Association. Dates highlighted in red indicate a contravention of this rule.

Audit and Risk Committee

Name	Category of Membership	Term
Nafeesa Mitha	Chair	3 years
Helen Coleman	Trustee	3 years
Kelvin Jones	Trustee	3 years
<u>In Attendance</u>		
Dr Hannah Friend	Chief Executive Officer	N/A
Shahzad Asghar	Finance Director	N/A
Najabat Riaz/Lauren Phipps	Secretary	N/A

Finance Committee

Name	Category of Membership	Term
Dotun Olaleye	Chair	4 years
Neil Laventure	Trustee	4 years
<u>In Attendance</u>		
Dr Hannah Friend	Chief Executive Officer	N/A
Shahzad Asghar	Finance Director	N/A
Najabat Riaz/Lauren Phipps	Secretary	N/A

Staffing and Remuneration Committee

Name	Category of Membership	Term
Professor Sally Glen	Chair	4 years
Kelvin Jones	Trustee	4 years
Neil Laventure	Trustee	4 years
<u>In Attendance</u>		
Dr Hannah Friend	Chief Executive Officer	N/A
Christopher Talbot	Director of People and Culture	N/A
Najabat Riaz/Lauren Phipps	Secretary	N/A

Director of Finance Changes

Name	Start Date	Leaving Date
Samuel Akinwonmi		13/12/2023
Shahzad Asghar	20/11/2023	

Board of Trustees' interests

The Board of Trustees are shown above and except for any instance mentioned above have served throughout the year. None of the Board of Trustees have any interests within the company.

The Secretary to the Board of Trustees maintains a register of financial and personal interest of the members of the Board of Trustees and senior post holders.

The Board of Trustees (continued)

Statement of trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 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 the Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the Trustees confirms that:

- ♦ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. 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

Statement of Corporate Governance and Internal Control Year to 31 August 2024

statements may differ from legislation in other jurisdictions.

Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the organisation together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Board of Trustees met 4 times in 2023/24.

The Board of Trustees receives advice on the conduct of its business from three committees. Each committee has its own terms of reference which have been approved by the Board of Trustees. These committees are, the Finance Sub-Committee, Staffing and Remuneration Sub-Committee and the Audit and Risk Sub-Committee.

Metanoia Institute has a strong and independent non-executive element and no individual or group dominates its decision-making process. The organisation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

Full minutes of all meetings, except those deemed to be confidential by the Board of Trustees, are published on the organisation website.

Appointment to the Board of Trustees

Appointment to the Board of Trustees are matters for consideration of the Board of Trustees as a whole.

Board of Trustees Performance

The Board of Trustees have made a strong contribution to the improvements made in 2023/24 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Board meetings. The Board of Trustees provide robust scrutiny and challenge. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Board business. An independent review of the Board performance was carried out during 2023/24. A number of actions were identified and a plan has been put in place to address the actions.

Committees

Audit and Risk Sub-Committee

The Audit and Risk Sub-Committee is responsible to the Board of Trustees in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors. The Committee is responsible for the following:

Committees (continued)

Audit and Risk Sub-Committee (continued)

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

Finance Sub-Committee

The Finance Committee oversees Metanoia Institute's financial reporting process, including the internal control structure and procedures for financial reporting and monitoring the integrity and appropriateness of the financial statements. The Committee monitors and reviews projected levels of income and expenditure across each Faculty and the whole Institute. It ensures an effective framework is in place to review performance against budget and to recommend improvements to accounting policies, systems, and procedures.

Staffing and Remuneration Sub-Committee

The Staffing and Remuneration Sub-Committee oversees and supports policies and practices in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation. The Committee also report on Health and Safety issues. Terms of Reference of the Committees can be found on our website.

Internal Control

Scope of responsibility

The Board of Trustees is ultimately responsible for the organisations system of internal control and for reviewing its effectiveness. However, 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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there was a formal on-going process for identifying, evaluating and managing the Institutes significant risks that had been in place for the year ended 31 August 2024 and up to the date of approval of the annual report and financial statements.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Trustees
- ◆ regular reviews by the Board of Trustees of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

Review of effectiveness

As the Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive Officer review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

Statement of Corporate Governance and Internal Control Year to 31 August 2024

Review of effectiveness (continued)

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The senior management team and the Audit and Risk Committees also receive regular reports, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Trustees agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2024 meeting, the Board of Trustees, carried out the annual assessment for the year ended 31 August 2024 by considering documentation from the senior management team, and taking account of events since 31 August 2023.

Based on above and reports by the Chief Executive Officer, the Board of Trustees is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2024 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

Regularity, propriety, and compliance

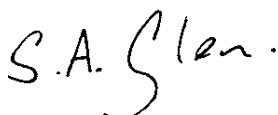
The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Board of Trustees believes it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisation's financial regulations. As part of our consideration, we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

Going Concern

Details on Board's going concern assessment are set out on page 13.

Approved by order of the Board of Trustees and signed on its behalf by:



Chair of Trustees
Professor Sally Glen
Date: 27 January 2025



Chief Executive Officer
Dr. Hannah Friend
Date: 27 January 2025

Independent auditor's report to the members of The Metanoia Institute

Opinion

We have audited the financial statements of The Metanoia Institute (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

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 charitable company'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 annual report other than the financial statements and our auditor's report thereon. The members of the Corporation 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, 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' report.

Matters on which we are required to report by exception (continued)

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
- ◆ the financial statements are not in agreement with the accounting records; 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006, those that relate to data protection (General Data Protection Regulation), certain conditions of OfS registration including compliance with the OfS' latest Accounts Direction; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions;
- ◆ tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charitable company's financial procedures; and
- ◆ Performed substantive testing over fee income to gain assurance that the income recognised was materially complete.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.



Shachi Blakemore, Senior Statutory Auditor
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 January 2025

Statement of financial activities (including income and expenditure statement) Year to 31 August 2024
(which includes statement of changes in reserves)

	Notes	Restricted 2024 £	Unrestricted 2024 £	Total 2024 £	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £
Income from:							
Investments		—	121,572	121,572	—	49,964	49,964
Charitable Activities							
. From Educational Services		38,971	5,592,393	5,631,364	45,599	5,553,059	5,598,658
. From Clinical Services		54,447	156,354	210,801	169,464	140,248	309,712
Total Income	1	<u>93,418</u>	<u>5,870,319</u>	<u>5,963,737</u>	<u>215,063</u>	<u>5,743,271</u>	<u>5,958,334</u>
Expenditure on:							
Charitable Activities							
. Educational Services		40,497	5,263,309	5,303,806	44,073	5,150,891	5,194,964
. Clinical Services		54,447	475,980	530,427	144,582	377,388	521,970
Total Expenditure	5	<u>94,944</u>	<u>5,739,289</u>	<u>5,834,233</u>	<u>188,655</u>	<u>5,528,279</u>	<u>5,716,934</u>
Statement of changes in reserves:							
Net income (deficit) and net movement in funds for the year	2	<u>(1,526)</u>	<u>131,030</u>	<u>129,504</u>	<u>26,408</u>	<u>214,992</u>	<u>241,400</u>
Reconciliation in funds:							
Total Funds brought forward 1 September		<u>26,408</u>	<u>4,721,188</u>	<u>4,747,596</u>	<u>—</u>	<u>4,506,196</u>	<u>4,506,196</u>
Total Funds carried forward 31 August		<u>24,882</u>	<u>4,852,218</u>	<u>4,877,100</u>	<u>26,408</u>	<u>4,721,188</u>	<u>4,747,596</u>

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 33 to 40 form part of these financial statements.

Balance sheet 31 August 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	6		2,185,766		2,271,505
Current assets					
Debtors	7	152,020		195,220	
Cash at bank and in hand		870,942		2,408,644	
Short-term deposits		3,175,263		1,574,535	
		4,198,225		4,178,399	
Creditors: amounts falling due within one year	8	(1,506,891)		(1,702,308)	
Net current assets			2,691,334		2,476,091
Total net assets			4,877,100		4,747,596
The funds of the charity:					
Unrestricted funds:					
. Fixed assets fund	11		2,185,766		2,271,505
. Designated funds	11		—		—
. General funds	11		2,666,452		2,449,683
Restricted funds	11		24,882		26,408
			4,877,100		4,747,596

Approved by the Trustees and authorised and signed on their behalf by:

S.A. Glen.

Chair of Trustees
Professor Sally Glen

Date: 27 January 2025

Hannah Friend

Accountable Officer
Dr. Hannah Friend

Date: 27 January 2025

The notes on pages 33 to 40 form part of these financial statements

The Metanoia Institute
Company Registration Number 02918520 (England and Wales)

Statement of cash flows 31 August 2024

	Notes	2024 £	2023 £
Cash (used in) provided by from operating activities:			
Net cash (used in) provided by operating activities	A	(51,741)	560,959
Cash outflow from investing activities:			
Interest from investments		121,572	49,964
Purchase of tangible fixed assets		(6,805)	(59,762)
Net cash provided by (used in) investing activities		114,767	(9,798)
Change in cash and cash equivalents in the year		63,026	551,161
Cash and cash equivalents at 1 September	B	3,983,179	3,432,018
Cash and cash equivalents at 31 August	B	4,046,205	3,983,179

Notes to the statement of cash flows for the year to 31 August:

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

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	129,504	241,401
Adjustments for:		
Depreciation charge	92,544	82,614
Interest from investments	(121,572)	(49,964)
Decrease in debtors	43,200	297,222
(Decrease) in creditors	(195,417)	(10,314)
Net cash (used in) provided by operating activities	(51,741)	560,959

B Analysis of cash and net debt

	2024 £	2023 £
Cash at bank and in hand	870,942	2,408,644
Short-term deposits	3,175,263	1,574,535
Total cash and cash equivalents	4,046,205	3,983,179

The Institute held no net debt as at 31 August 2024 (2023: nil).

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2024 and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Office for Students' latest Accounts Direction.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ the allocation of support costs to charitable activities.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Board of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Board are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The more significant areas of judgement that affect items in the financial statements are detailed above.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year would be disclosed as short term deposits. Cash placed on deposit for more than one year would be disclosed as a fixed asset investment.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt.

Financial instruments

The organisation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are used for specific purposes as agreed by the Trustees. Expenditure which meets these criteria is charged to the funds.

Restricted funds are used for specific purposes as stated by the Awarding Body. Expenditure which meet these criteria is charged to the fund.

Income

Income includes course fees, clinic charges, grants and investment income. Income is recognised in the year in which the charity is entitled to receipt, it is probable the charity will receive the income and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled or where the funder has specified that the income is to be expended in a future accounting period.

Expenditure

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Direct costs comprise direct costs incurred in carrying out the charitable activities of the organisation including direct staff costs and directly attributable running costs.

Expenditure (continued)

Expenditure which cannot be directly attributed to the relevant department is apportioned on the best estimates of each department's usage. Support costs are apportioned on the basis of time spent. Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the statement of financial activities.

Governance costs are costs associated with governing the charity including strategic planning and compliance with constitutional and statutory requirements. They are included in charitable activities within support costs and allocated to charitable activities on the basis of time spent.

Fixed assets

Fixed assets costing £2,000 or more are capitalised at cost.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

♦ Freehold land	Not depreciated
♦ Freehold buildings	2% to 10% straight line
♦ Furniture, fixture and equipment	10% to 33.3% straight line

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1 Grant and fee income

	2024 £	2023 £
Grant income from OfS	38,971	45,599
Grant income from other bodies	54,447	169,464
Fee income for taught awards	2,408,186	2,459,878
Fee income from non-qualifying courses	2,816,152	2,722,438
Clinic client Income	156,354	140,248
School based research income	271,014	226,301
Other income	97,041	144,442
Interest income	121,572	49,964
	5,963,737	5,958,334

2 Net movement in funds

The net movement in funds is stated after charging:

	2024 £	2023 £
Depreciation	92,544	82,614
Auditor's remuneration – statutory audit	23,580	16,650
Auditor's remuneration – statutory audit (related to 2023)	11,730	—
Operating lease costs	—	2,616

3 Staff costs and remuneration of key management personnel

Full time equivalent employees in the year:

	2024 No.	2023 No.
Educational services	41	42
Clinical services	5	5
Administration and support	38	37
	84	84

Actual employees in the year:

	2024 No.	2023 No.
Educational services	124	121
Clinical services	12	7
Administration and support	53	57
	189	185

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	3,231,256	3,316,770
Redundancy costs	27,152	—
Social security costs	335,639	317,959
Pension costs	60,381	56,430
	3,654,428	3,691,159
Trainers' fees	730,210	655,122
	4,384,638	4,346,281

3 Staff costs and remuneration of key management personnel (continued)

The Institute has given regard to the “Guidance on decisions taken about severance payments in HEI’s” published by the Committee of University Chairs when determining severance pay.

Employees earning greater than £60,000 during the year:

	2024 No.	2023 No.
£60,000 - £65,000	1	—
£65,001 - £70,000	1	4
£70,001 - £75,000	2	—
£75,001 - £80,000	1	1
£85,001 - £90,000	—	—
£90,001 - £95,000	1	2
£130,001 - £135,000	—	1
£135,001 - £140,000	1	—
£145,001 - £150,000	—	—
	7	8

Pension contributions in respect of these employees were £9,614 (2023: £12,176).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the Chief Executive Officer (CEO), the three Faculty Heads, Director of People & Culture, the Director of Finance and the Director of Education. The total remuneration (including taxable benefits and employers pension contributions) of the key management personnel for the year was £613,816 (2023: £653,242).

Chief Executive Officer Remuneration

	2024 £	2023 £
Basic salary	135,150	119,167
Holiday pay	—	10,200
Bonus	—	—
Pension contribution	2,201	1,468
	137,351	130,835

The Chief Executive Officer’s remuneration shown in the year was recommended by the Staff and Remuneration Sub-Committee (SARSC). SARSC determines the salaries and conditions of service of all senior staff, including the Chief Executive Officer and the Executive Team. SARSC forwards their deliberations to the Finance Sub-Committee (FSC) who assessed the economic and financial good standing of the Institute, projected future student growth, and academic success. FSC presents their recommendations to the full Board of Trustees for approval.

Chief Executive’s basic salary as a multiple of the median of all staff 2.35 (2023: 3.37). Chief Executive’s total remuneration as a multiple of the median of all staff 2.35 (2023: 3.37). Trustees were not paid any remuneration, only expenses were reimbursed (see note 4 for details).

4 Trustees' remuneration and reimbursed expenses

No trustee received reimbursement of travel expenses in the year (2023: One Trustees received £215 in total). None received remuneration for their services or benefits in either the current or prior year.

The Institute paid £1,109 (2023: £ nil) in relation to trustee indemnity insurance during the year. This has been renewed post year end.

5 Analysis of total resources expended

	Staff costs (note 3) £	Other £	Depreciation £	Total 2024 £
Charitable expenditure				
Educational services	3,931,242	1,280,020	92,544	5,303,806
Clinical services	453,396	77,031	—	530,427
	<u>4,384,638</u>	<u>1,357,051</u>	<u>92,544</u>	<u>5,834,233</u>

	Staff costs (note 3) £	Other £	Depreciation £	Total 2023 £
Charitable expenditure				
Educational services	3,969,759	1,142,591	82,614	5,194,964
Clinical services	376,522	145,448	—	521,970
	<u>4,346,281</u>	<u>1,288,039</u>	<u>82,614</u>	<u>5,716,934</u>

5a

	Direct costs £	Support costs (note 5b) £	Total 2024 £
Charitable expenditure			
Educational services	4,354,245	949,561	5,303,806
Clinical services	213,907	316,520	530,427
	<u>4,568,152</u>	<u>1,266,081</u>	<u>5,834,233</u>

5 Analysis of total resources expended (continued)

	Direct costs £	Support costs (note 5b) £	Total 2023 £
Charitable expenditure			
Educational services	4,324,971	869,993	5,194,964
Clinical services	231,972	289,998	521,970
	4,556,943	1,159,991	5,716,934

5b Analysis of support costs

	Total 2024 £	Total 2023 £
Support services		
Rent and rates	12,235	10,222
Heat, light and power	32,432	25,050
Travel and expenses	2,876	8,458
Printing and stationery	43,862	44,985
Property maintenance	79,196	97,067
Other staff costs	33,594	25,458
Validated program costs	484,755	403,975
Library books and journals	32,202	36,807
Computer software	204,951	199,140
Consultancy fees	27,358	32,479
Legal and professional fees	98,393	50,647
QAA registrations	34,543	29,599
General expenses	179,684	196,104
	1,266,081	1,159,991

6 Tangible fixed assets

	Freehold land and buildings £	Furniture, fixtures and equipment £	Total 2024 £
Cost			
At 1 September 2023	2,919,370	284,028	3,203,398
Additions	—	6,805	6,805
At 31 August 2024	2,919,370	290,833	3,210,203
Accumulated depreciation			
At 1 September 2023	736,201	195,692	931,893
Charge for the year	37,061	55,483	92,544
At 31 August 2024	773,262	251,175	1,024,437
Net book values			
At 31 August 2024	2,146,108	39,658	2,185,766
At 31 August 2023	2,183,166	88,339	2,271,505

7 Debtors

	2024 £	2023 £
Fee debtors	39,121	70,368
Prepayments and accrued income	112,899	124,852
	152,020	195,220

8 Creditors: Amounts falling due within one year

	2024 £	2023 £
Deferred income	1,115,516	1,434,423
Trade creditors	237,604	44,320
Other taxes and social security costs	—	3,887
Accruals	153,771	219,678
	1,506,891	1,702,308

Deferred income relates to fee and training income received in advance for the following academic year, as well as restricted funding intended for carrying out specific research in the following financial year. The movement on the deferred income balance was as follows:

	2024 £	2023 £
Balance as at 1 September	1,434,423	1,308,996
Amount released to income	(1,434,423)	(1,308,996)
Amount deferred in year	1,115,516	1,434,423
Balance as at 31 August	1,115,516	1,434,423

9 Members' liability

The Metanoia Institute is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability is limited to £1 per member.

10 Operating leases

The charity had total future minimum commitments in respect to non-cancellable operating leases at 31 August as follows:

	2024 £	2023 £
Equipment		
Within one year	—	2,616
	—	2,616

11 Movement in funds

	At 1 September 2023 £	Incoming resources £	Resources expended £	Transfers £	Total 2024 £
Unrestricted					
General	2,449,683	5,813,384	(5,589,810)	(6,805)	2,666,452
Designated					
. Bursary	—	56,935	(56,935)	—	—
. Fixed assets fund	2,271,505	—	(92,544)	6,805	2,185,766
Total Unrestricted	<u>4,721,188</u>	<u>5,870,319</u>	<u>(5,739,289)</u>	<u>—</u>	<u>4,852,218</u>
Restricted					
AMORAY	24,882	—	—	—	24,882
OfS Teaching fund	—	25,172	(25,172)	—	—
OfS Hardship fund	1,526	(1,526)	—	—	—
OfS Capital Grant	—	15,325	(15,325)	—	—
UKRI	—	54,447	(54,447)	—	—
Total Restricted	<u>26,408</u>	<u>93,418</u>	<u>(94,944)</u>	<u>—</u>	<u>24,882</u>
	<u>4,747,596</u>	<u>5,963,737</u>	<u>(5,834,233)</u>	<u>—</u>	<u>4,877,100</u>

Designated funds relate to:

- ◆ The bursary fund represents funds set aside for the purpose of providing bursaries.
- ◆ The fixed asset fund represents the net book value of the Institute's tangible fixed assets.

Restricted funds relate to:

- ◆ Assessment of Mental Health of Refugees and Asylum Seekers by Youth Workers (AMORAY) is a grant awarded by Erasmus+. We worked in partnership with four organisations. UKPC Research Award grant was awarded to research what support therapists need to do research and a review of studies into how therapists experience research.
- ◆ OfS teaching funds were funds allocated by the Office for Students for teaching expenditure.
- ◆ OfS hardship funds were funds allocated by the Office for Students for hardship expenditure.

11 Movement in funds (continued)

- ♦ OfS Capital funds were funds allocated by the Office for Students for capital expenditure.

	At 1 September 2022 £	Incoming resources £	Resources expended £	Transfers £	Total 2023 £
<i>Unrestricted</i>					
<i>General</i>	2,211,839	5,698,088	(5,400,482)	(59,762)	2,449,683
<i>Designated</i>					
<i>. Bursary</i>	—	45,183	(45,183)	—	—
<i>. Fixed assets fund</i>	2,294,357	—	(82,614)	59,762	2,271,505
<i>Total Unrestricted</i>	4,506,196	5,743,271	(5,528,279)	—	4,721,188
<i>Restricted</i>					
<i>AMORAY</i>	—	24,882	—	—	24,882
<i>TARCT</i>	—	33,860	(33,860)	—	—
<i>St Bethe</i>	—	20,963	(20,963)	—	—
<i>UKRI</i>	—	72,981	(72,981)	—	—
<i>OfS Capital Grant</i>	—	14,819	(14,819)	—	—
<i>OfS Teaching fund</i>	—	23,110	(23,110)	—	—
<i>OfS Hardship fund</i>	—	7,670	(6,144)	—	1,526
<i>BACP</i>	—	15,000	(15,000)	—	—
<i>Open University</i>	—	1,778	(1,778)	—	—
<i>Total Restricted</i>	—	215,063	(188,655)	—	26,408
	4,506,196	5,958,334	(5,716,934)	—	4,747,596

12 Related Party Transactions

Other than those disclosed in earlier notes to the accounts, there were no other related party transactions in the year.

13 Analysis of net assets between funds

Analysis of net assets between funds:

	General fund £	Designated funds including fixed asset fund £	Restricted funds £	Total 2024 £
Fund balances at 31 August 2024 are represented by:				
Tangible fixed assets	—	2,185,766	—	2,185,766
Current assets	4,173,343	—	24,882	4,198,225
Creditors: amounts falling due within one year	(1,506,891)	—	—	(1,506,891)
Total net assets	2,666,452	2,185,766	24,882	4,877,100

	General fund £	Designated funds including fixed asset fund £	Restricted funds £	Total 2023 £
<i>Fund balances at 31 August 2023 are represented by:</i>				
<i>Tangible fixed assets</i>	—	2,271,505	—	2,271,505
<i>Current assets</i>	4,178,399	—	—	4,178,399
<i>Creditors: amounts falling due within one year</i>	(1,702,308)	—	—	(1,702,308)
<i>Total net assets</i>	2,476,091	2,271,505	—	4,747,596

Detailed expenditure account 31 August 2024

This page does not form part of the financial statements

	2024 £	2024 £	2023 £	2023 £
Expenditure				
Educational services:				
Salaries and wages	2,852,277		2,980,335	
Trainers' fees	721,599		631,108	
National Insurance	296,912		285,581	
Pension costs	54,243		49,920	
Staff recruitment and training	43,769		30,194	
External examiners fees	58,890		61,312	
Bursaries	56,935		45,183	
Validation fees	484,189		402,855	
Conference and courses	2,555		3,397	
Premises and maintenance	133,882		118,575	
Printing and stationery	56,988		55,348	
Depreciation	92,544		82,614	
Travel and subsistence	5,144		9,719	
Consultancy	27,358		32,479	
Library books and journals	32,202		36,807	
Course Residential	5,597		5,113	
Rent and room hire	21,614		24,209	
Computer software	204,951		199,140	
Sundry	14,792		13,716	
Catering	6,761		5,522	
Legal and professional	19,313		26,760	
QAA/OfS registrations	34,543		29,599	
Advertising and marketing	7,873		9,075	
Committee costs	900		2,765	
Indemnity insurance	1,109		—	
Auditor's remuneration	35,310		16,650	
Bank charges	31,556		36,987	
		5,303,806		5,194,963
Clinical services:				
Salaries and wages	406,131		336,434	
Trainers' fees	8,611		24,014	
National Insurance	38,727		32,378	
Pension costs	8,538		7,710	
Establishment costs	26,379		49,292	
Compliance (DBS) checks	5,877		6,843	
Sundry	—		22,733	
Computer support costs	35,164		38,665	
Conferences and courses	1,000		3,901	
		530,427		521,970
Total resources expended		5,834,233		5,716,933

Accounts

**The
Metanoia
Institute**

**Annual Report and Financial
Statements**

31 August 2023

Charity Registration Number
1050175

Company Registration Number
02918520 (England and Wales)

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Reference and administrative details Year to 31 August 2023

Trustees	Professor Sally Glen (Chair) Dotun Olaleye (Vice Chair) Helen Coleman (Retired 20/09/23) Jeffrey White (Retired 31/07/23) Kelvin Jones Nafeesa Mitha Neil Laventure The trustees are appointed by resolution for a term of up to four years and thereafter for three year terms for a maximum of four consecutive terms.
Company secretary	Najaba Riaz
Chief Executive Officer	Professor Sheila Owen-Jones (until 02/10/22) Dr Hannah Friend (from 03/10/22) Professor Carrie Weston (until 26/06/23)
Deputy Chief Executive Officer	
Director of Finance	Anita Faherty (Until 20/07/23) Samuel Akinwonmi (Until 13/12/23) Shahzad Asghar (from 20/11/23)
Registered office	13 North Common Road Ealing London W5 2QB
Additional training premises	13 Gunnersbury Avenue Ealing London W5 3XD
Faculty Heads	
Faculty 1: Faculty of Psychotherapy and Counselling	Dr Jane Hunt Aug 2022 – Aug 2023
Faculty 2: Post-Qualification and Professional Doctorates, Research Strategy and Innovation	Dr Biljana van Rijn
Faculty 3: Faculty of Applied Social and Organisational Sciences Research Strategy and Innovation	Dr Peter Pearce

Reference and administrative details Year to 31 August 2023

Company registration number 02918520

Charity registration number 1050175

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers HSBC Bank plc
46 The Broadway
London
W5 5JZ

Solicitors Bates Wells & Braithwaite LLP
2-6 Cannon Street
London
EC4M 6YH

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Metanoia Institute ("the Institute") is a charitable company limited by guarantee and was established on 8 April 1994. It is governed by a Memorandum and Articles of Association.

Metanoia Institute's registered charity number is 1050175 and the company registered number is 02918520.

The Trustees, who are also directors of the Metanoia Institute for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 August 2023. These have been prepared under the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities. Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and comply with the latest Office for Students' Accounts Direction.

Governance Structure

Metanoia Institute's governance arrangements have been developed to ensure compliance and best practice is maintained across the organisation. It is recognised that good governance is essential to the maintenance of academic standards, the quality of the student learning experience and effective organisational management.

The Board of Trustees is the senior body acting with legal and strategic accountability for Metanoia Institute. The various authorities and actions pertaining to the Board of Trustees are detailed in two formal documents: the organisation's Articles of Governance and Articles of Association. These include: responsibility for corporate governance, corporate performance monitoring, financial stewardship and the on-going management, appraisal and support of the Chief Executive Officer.

The work of the Board of Trustees is supported by three specialist sub-committees: the Finance (FSC), Audit and Risk (ARSC), and Staffing and Remuneration (SARSC). The purpose of the Finance Sub-Committee and the Audit and Risk Sub-Committee is to assist the Board of Trustees in fulfilling their statutory financial responsibilities and in discharging their duties diligently and efficiently. The purpose of the Staffing and Remuneration Sub-Committee is to oversee and support policies and practice in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation.

At the functional level, there is a clear division of responsibility between the Executive Committee (which oversees all matters pertaining to the strategic, financial and operational management of the Institute) and Academic Board (which oversees all matters pertaining to programmes, academic and student lifecycle management as well as quality assurance and enhancement).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance Structure (continued)

The **Executive Committee** comprises the Chief Executive Officer, Deputy Chief Executive Officer (which changed to Director of Education from 3/7/23), the three Faculty Heads with the Director of Finance, (with the Registrar, Facilities Manager and Human Resources Manager, as well as other specialist staff, in attendance on an as-needs basis). Its core purposes are to enact the decisions of the Board of Trustees, to manage the Institute's day-to-day operations and to be accountable for the financial management of the Institute. Furthermore, the Executive ensures that an appropriate level of consideration is given to strategic decisions, that there is accountability for those decisions and that effective leadership of, and communication with, staff across the Institute is achieved. The key responsibilities of the Executive are to deliver the strategic and operational plans of the Institute as well as to agree policies and effect implementation to support that delivery.

The **Academic Board** comprises the Chief Executive Officer, Deputy Chief Executive Officer (changed to Director of Education from 3/7/23), the three Faculty Heads, the Director of Finance, and Registrar as well as academic staff, support staff and student representatives.

Its core purpose is to act as Metanoia Institute's principal academic authority. The Academic Board guides the Institute's academic development, the setting and maintenance of threshold academic standards and the quality of the student experience, oversees quality assurance and enhancement and determines and authorises curriculum content.

The Academic Board is also responsible for the development of the Strategic Plan as regards portfolio, research, learning, teaching and assessment and for overseeing the validation and review of programmes, the admission of students and all areas pertaining to academic delivery and support.

To enable the Executive Committee and Academic Board to carry out these manifold tasks, **seven sub-committees** (Clinical Ethic; Quality and Standards; Learning, Teaching and Enhancement; Joint Staff Student; Research; Research Ethics; Equality, Diversity and Inclusion) have been established and are operating in a deliberative context. Each sub-committee is chaired by a Faculty Head or other senior manager and comprises a broad membership of staff and student representatives that encourages robust and effective ideas-generation and decision-making throughout the Institute.

Committee servicing is jointly managed by the Professional Bodies and Internal Academic Support Manager and Academic Quality Manager. The former is responsible for diarising and resourcing committee meetings and overseeing the performance of the secretariat. The latter is responsible for brokering the relationships that exist between Metanoia Institute's various committees and sub-committees and for monitoring actions required by the committees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Vision 2023-2028

To Lead the way in therapy education and training, cultivating an outstanding, culturally responsive, and highly skilled psychological workforce. We aim to transcend barriers, making therapy accessible to every corner of society, using our influence to create impactful and positive change.

Core Purpose

1. **Education** – We will provide a transformative and enriching teaching and learning experience that empowers students to achieve their potential and inspires them to make a positive impact in their communities. We will nurture a supportive learning environment that fuels growth, sparks creativity, and cultivates critical thinking, using research to continuously explore and implement evidence-based approaches for the most effective and impactful educational experience.
2. **Training** –We will deliver programmes that integrate clinical practice with academic rigour underpinned by research to provide well-defined and flexible training pathways that lead to immediate employability across all sectors, allowing graduates to make a meaningful impact from day one.

Metanoia Institute's Strategic Aims support the pursuit of the Vision and Purpose as follows:

Strategic Aims

Strategic Aim 1: To foster a culture of Inclusion that promotes diversity, equity and belonging for all students and staff, through inclusive teaching practices, an inclusive curriculum, and an inclusive environment.

Strategic Aim 2: To drive Innovation across all aspects of our institution by modernising education design and delivery methods, upgrading supporting infrastructure, enhancing our brand, and marketing efforts, and leveraging digitisation. To offer teaching, training and lifelong learning of the highest quality.

Strategic Aim 3: To become an Intelligence-led institution that prioritises data driven decision making, evidence-based education and practice and a student-centred approach, whilst staying ahead of emerging trends in Higher Education

Strategic Aim 4: To ensure the long-term Sustainability by becoming an autonomous organisation, maximising growth and income opportunities, and embedding sustainable development principles across all our plans including financial security.

Metanoia Institute's decision to work towards Degree Awarding Powers (DAPs) is a collective reflection of the aspirations of our Board of Trustees, Executive, Administration, Support Staff and the Student Body. This particular objective is to consolidate the Institute's position in Higher Education by attaining DAPs, potentially leading to University Title, and to ensure sustainability of the organisation.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Reasons for Seeking Degree Awarding Powers

Metanoia Institute is a mature institution, having been engaged in the development, delivery, and assessment of higher education programmes since 1984.

Four of the Institute's programmes (MSc Gestalt Psychotherapy, MSc Integrative Psychotherapy, MSc Transactional Analysis Psychotherapy and BA (Hons) Person-Centred Counselling) having been in continuous delivery for more than twenty years, and the DPsych is currently recruiting its twenty second cohort.

Metanoia Institute is confident that it has the capacity to act as an autonomous academic community, to determine the awards that it offers, to set and maintain the academic standards of those awards and to assure and enhance the quality of the student experience in delivering those awards.

Securing Degree Awarding powers also secures the organisation's future, allowing for innovation and growth to occur.

Management Structure

Metanoia Institute's Chief Executive Officer is appointed by, and responsible to the Board of Trustees for implementing the decisions of the Board of Trustees, for the day-to-day executive direction and management of the Institute and for the leadership of all staff.

The Chief Executive Officer line manages the Deputy Chief Executive Officer, (Director of Education from 3/7/23) the two of the Faculty Heads, Director of Finance, (the Executive Team) as well as the Facilities Manager and the Professional Bodies and Internal Academic Manager. With the addition of the Director of People and Culture (from 3/1/24), this group comprises the Institute's Senior Management Team.

Each Faculty Head has operational management responsibility for their Faculty, a specific portion of the academic portfolio, as well as line management responsibility, for a portion of the complement of academic staff, administration and support staff. Details of staff numbers are provided in note 3 of these financial statements.

Academic Provision

Metanoia Institute's provision is grouped into three distinct faculties:

- ◆ The Faculty of Psychotherapy & Counselling;
- ◆ The Faculty of Post-Qualification & Professional Doctorates and Research Strategy and Innovation.
- ◆ The Faculty of Applied Social and Organisational Sciences.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

The **Faculty of Psychotherapy and Counselling (Faculty 1)** oversees the work of staff and students involved in eight 'core' programmes:

- ◆ Bachelor of Arts (Honours) Person-Centred Counselling;
- ◆ Bachelor of Science (Honours) Humanistic Counselling;
- ◆ Bachelor of Science (Honours) Reflective Therapeutic Practice;
- ◆ Master of Science Contemporary Person-Centred Psychotherapy and Applications;
- ◆ Master of Science Gestalt Psychotherapy;
- ◆ Master of Science Humanistic Psychotherapy;
- ◆ Master of Science Integrative Psychotherapy; and
- ◆ Master of Science Transactional Analysis Psychotherapy.

The **Faculty of Post-Qualification & Professional Doctorates (Faculty 2)** oversees the work of staff and students involved in the following four programmes as well as other Doctoral developments:

- ◆ The Doctorate in Psychotherapy by Professional Studies;
- ◆ The Doctorate in Psychotherapy by Public Works;
- ◆ The Doctorate in Counselling Psychology and Psychotherapy by Professional Studies; and
- ◆ Doctor of Philosophy.

Research Strategy and Innovation (Faculty 2) oversees the work of staff and students involved in research across the Institute and with external partners in the following ways:

- ◆ Research Centre: faculty-wide research activities and events;
- ◆ Research projects with other universities and research partners;
- ◆ Research Clinic and the development of research practice;
- ◆ The Ealing Borough Consortium; and
- ◆ Maximise Research and Research Income.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

The **Faculty of Applied Social & Organisational Sciences (Faculty 3)** oversees the work of staff and students involved in the following programmes and counselling services:

- ◆ Master of Arts Therapeutic Fostering and Adoption;
- ◆ Master of Science Creative Writing for Therapeutic Purposes;
- ◆ Post Qualification Conversion Diploma from Adult to Adolescent and School Counselling;
- ◆ Post Qualification, IAPT licensing, Practitioner and Supervisor Training Counselling for Depression;
- ◆ Ethos Schools Based Humanistic Counselling Randomised Controlled Trial; and
- ◆ The Metanoia Schools Counselling Service.

In addition to the higher education provision listed above, Metanoia Institute continues to offer professional clinical diploma routes for those students who wish to register as practitioners but who do not seek an academic qualification. These programmes are taught alongside the award-bearing programmes and overseen by the Faculty of Applied Psychotherapy and Counselling:

- ◆ Diploma in Gestalt Psychotherapy;
- ◆ Diploma in Humanistic Counselling;
- ◆ Diploma in Humanistic Psychotherapy;
- ◆ Diploma in Integrative Psychotherapy;
- ◆ Diploma in Person-Centred Counselling;
- ◆ Diploma in Person-Centred Psychotherapy;
- ◆ Diploma in Transactional Analysis Counselling; and
- ◆ Diploma in Transactional Analysis Psychotherapy.

Metanoia Institute offers a range of continuing professional development (CPD) courses (ranging from evening workshops to multi-day professional certificates) that are open to students, staff, alumni and independent practitioners.

The student population

Metanoia Institute's student population stood at 1301 in 2022/23 of whom 87 are enrolled on Doctoral programmes, 604 on taught post-graduate programmes, 196 on taught undergraduate programmes and 414 on professional programmes.

Metanoia Institute recruits both nationally and internationally, with 68% of the Institute's current students coming from the UK, 2% from within the EU and less than 1% from outside the EU, 29% remain unknowns. Within the UK, 49% came from London, 17% from the South-East and 11% and 23% of UK domiciled students remain non-categorised. We are working on improving our data capture.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The student population (continued)

Metanoia Institute's student body is both atypical and diverse, with a gender ratio of 55% female to 16% male (719:207), remaining those not to disclose their gender, and an average age of 44 across all programmes. 10% of the Institute's students identify as belonging to the Lesbian, Gay, Bisexual, Transsexual Queer or Intersex (LGBTQI) community, 11% identify as coming from a black or minority ethnicity (BME) background and 9% have disclosed a specific disability.

Quality monitoring

Quality monitoring is undertaken via the following:

- ◆ Assessment Boards;
- ◆ Board of Studies;
- ◆ University Validation Bodies (MDX);
- ◆ Accreditation Boards (BPS, BACP, BAC, EAP, HCPC, UKCP);
- ◆ Quality Assurance Agency (QAA);
- ◆ University Annual Monitoring Reports; and
- ◆ External Examiner Reports.

How our activities deliver public benefit

The Trustees have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on Public Benefit.

The Trustees and senior management team took account of the public benefit requirements whilst setting the strategic plan. The Trustees and senior management team believe that all of Metanoia Institute's objects are linked to the provision of public benefit.

Examples of public benefit with regard to our educational services include:

- ◆ The provision of a range of training courses in psychological therapy;
- ◆ The provision of a range of optional academic qualifications for students undertaking a first training in psychological therapy from BA (Hons) to Doctoral level;
- ◆ The provision of additional academic qualifications to practitioners qualified in psychological therapy;
- ◆ The provision of a range of workshops suitable for continuing professional development needs;
- ◆ The provision of increased public learning and knowledge about psychological therapy, as a result of research undertaken within the Metanoia Institute; and

- ◆ Counselling within Schools.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

How our activities deliver public benefit (continued)

A key feature of the Institute's public benefit with regard to educational services is the provision of bursaries. The Trustees believe that students' learning is enhanced in a diverse community and Metanoia students come from a range of ethnic and economic backgrounds.

Examples of public benefit with regard to clinical services include:

- ◆ The Metanoia Counselling and Psychotherapy Service (MCPS) provides accessible services to the local community. The growth of the Research Clinic within the Metanoia Counselling and Psychotherapy Service demonstrates the Institute's commitment to the provision of effective psychological therapies. Clients, together with their counsellor/psychotherapist, will complete a number of psychological testing measures on a regular basis which will then be analysed. Examples of measures to be used include Beck's depression inventory. Results of the research will be used to ensure the effectiveness of training and therefore services.
- ◆ The provision of a free assessment to ascertain whether a potential client is suitable for counselling/psychotherapy within MCPS. Previously clients were assessed by telephone, but since the introduction of face-to-face assessment sessions, greater numbers of clients have applied for assessment sessions.
- ◆ The provision of lower cost counselling and psychotherapy services to the general public. Fees are charged on a sliding scale dependent on the client's ability to pay. The minimum fee is £5 per session which is typically 10% of the fee charged by therapists in private practise. Assessment fees increased from £15 to £25, with an option to charge £10 to those on benefits. The minimum fee for evening sessions has also increased to £15 from £12.
- ◆ The provision of counselling for a period of up to six months. Access to counselling via the local Primary Care Trust is usually restricted to four, six or twelve sessions.
- ◆ The provision of a range of different approaches to counselling and psychotherapy to offer clients a choice of a preferred mode.

Achievements and performance

The principal activity is the provision of training courses in counselling, psychotherapy and counselling psychology and other associated therapies. The Institute also runs a lower cost clinic service. There has been no change in the policies adopted by the Institute to achieve its objectives.

The training is provided using the services, on a part time basis, of qualified trainers in counselling, psychotherapy and counselling psychology. Many students are qualified professionals in the healthcare field. The courses are run on a part-time basis, normally at weekends and lead to a qualification after three or more years. New funding for research via counselling in schools activity also contributed to an increase in income.

Metanoia Institute continued to invest in its rolling programme of repairs and replacements, ensuring that student facilities are maintained to the highest standards.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Premises

Metanoia Institute fully owns its two properties at North Common Road and Gunnersbury Avenue, which were recently valued at approximately £6,000,000.

Fundraising

The Institute does not solicit donations and is not registered with the Funding Regulator. If a donation is received from an individual, the Institute applies GDPR rules. There have been no complaints received in the year in respect of fundraising.

Activities affected by virus control measures

The Institute responded pro-actively to the control measures required for COVID-19. Both staff and students responded well to our new ways of working.

FUTURE PLANS

Similar to other higher education institutions, whilst we have resumed face to face teaching in the main, the learning from the pandemic has equipped us with a business response plan to implement should we face a similar health or other crisis in the future. Together with a new strategy with a focus on increasing accessibility means we will be adopting more blended delivery models wherever possible. Dual delivery is available for a crisis response and for an improved delivery model.

The dual delivery approach will take a 'best of both worlds' position. Some learning opportunities will be offered to all students in a face-to-face format, with a spine of online teaching taking place via Zoom and through enhanced online activities.

The dual delivery approach allows for flexibility in terms of respecting student choice, and therefore increasing access and participation which is aligned to our vision, plus the potential for agility in the light of changing circumstances.

It will provide sufficient face-to-face teaching opportunities to ensure the continuity of the fundamentals of Metanoia Institute training; those being teaching which fosters relational learning and requires interpersonal, experiential opportunities. However, high-quality teaching and learning will also be offered online, producing a blended offer.

FINANCIAL REVIEW

Financial performance

The incoming resources for the year amounted to £5,958,334 (2022: £5,182,446). This represents an increase of 14.97% on the previous year and partly related to an uptick in our course income. Additionally, we received more funding from OFS than in the prior year.

FINANCIAL REVIEW (continued)

Financial performance (continued)

Expenditure for the year amounted to £5,716,933 (2022: £5,522,665), an increase of £194,268 (3.5%). This increase was in part attributable to greater investment in professional staff (see note 3), and additional planned as well as a certain level of unplanned expenditure.

As a result of the above, surplus for the year was £241,401 (2022: deficit of £340,219).

Whilst we have felt some impact of the cost-of-living crisis, we have put an action plan in place to reduce the impact next year.

Reserves policy and going concern

The Trustees define free reserves in accordance with Charity Commission guidelines in that they are generally unrestricted funds less tangible fixed assets, net of any related loans and excluding designated funds.

The Trustees have reviewed the Institute's reserves policy and have decided to set free reserves at the equivalent of three months operating expenses, which approximates to £1,300,000. Trustees have agreed to review the level of reserves annually to ensure the appropriateness of the agreed level and any action required to adjust funds held in reserves. At 31 August 2023, free reserves amounted to £2,476,090 (2022: £2,211,838) which is above the target. However, future plans include significant capital investment within the next two years and reserves are being held above target to achieve this plan.

After making appropriate enquiries, including student enrolment numbers for 2023/24 academic year, the Board of Trustees considers that the organisation has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

We do not have a pension liability. We do have funds invested within a high street bank.

RISK MANAGEMENT

The Trustees have formally re-assessed and reviewed the major risks to which the Institute is exposed to. Particular attention has been paid to the risks associated with the economic climate. The effectiveness of control systems in mitigating the Institute's exposure to these risks have also been assessed. The key risks to the Institute, and measures to mitigate these risks, are listed below:

- ◆ Reputation – The Institute maintains quality and standards and ensures compliance in all areas, whilst also ensuring student involvement and engagement.
- ◆ Technology – The Institute ensures systems are up to date, encrypted and appropriate for business purposes and processes.

Risk assessment continues to be an ongoing process at the Institute.

Trustees' Report approved by the Trustees on 17 January 2024 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'S.A. Glen'.

Chair of Trustees
Professor Sally Glen

Statement of Corporate Governance and Internal Control Year to 31 August 2023

The following statement is provided to enable readers of the annual report and financial statements of Metanoia Institute to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2022 to 31 August 2023 and up to the date of the approval of the annual report and financial statements.

Metanoia Institute endeavours to conduct its business;

1. Having due regard to the UK Corporate Governance Code in so far as it is applicable to the Higher Education Sector.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Board of Trustees recognises that as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

Legal Status

The Metanoia Institute is a Registered Charity and a Private Limited Company by guarantee without share capital use of limited exemption.

The Board of Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

Statement of Corporate Governance and Internal Control Year to 31 August 2023

The Board of Trustees

The members who served on the Board of Trustees during the year and up to the date of signature of this report are listed below. The next AGM is due to take place in February 2024.

Board of Trustees

Name	Category of Membership	Date First Appointed	Expiry of Term of Office*	Date of Reappointment/Retirement	Attendance 1/9/22-31/8/23
Professor Sally Glen	Chair	01/09/2022	01/09/2026	N/A	4 of 4
Jerry Arnott	Vice-Chair, Trustee	29/04/2014	29/04/2023	Retired 31/07/2023	3 of 4
Jeffrey White	Trustee	29/04/2008	29/04/2020	Retired 31/07/2023	3 of 4
Helen Coleman	Trustee	26/11/2019	26/11/2023	Resigned 20/09/2023	3 of 4
Kelvin Jones	Trustee	26/11/2019	26/11/2023	Needs to be reappointed at next AGM	3 of 4
Dotun Olaleye	Trustee	10/05/2016	22/02/2027	Reappointed 22/02/2023	2 of 4
Nafeesa Mitha	Trustee	03/02/2022	03/02/2026	N/A	2 of 4
Neil Laventure	Trustee	11/01/2023	11/01/2027	N/A	3 of 4
Ruth Gibson	Student Trustee	31/01/2022	31/01/2026	Resigned 03/12/2022	0 of 4
<u>In Attendance:</u>					
Dr Hannah Friend	Chief Executive Officer	N/A	N/A	N/A	N/A
Professor Carrie Weston	Deputy Chief Executive Officer	N/A	N/A	N/A	N/A
Anita Faherty	Finance Director	N/A	N/A	N/A	N/A
Najabat Riaz	Secretary	N/A	N/A	N/A	N/A

<u>Audit and Risk Committee</u>		
Name	Category of Membership	Term
Nafeesa Mitha	Chair	3 years
Helen Coleman	Trustee	3 years
Kelvin Jones	Trustee	3 years
In Attendance		
Dr Hannah Friend	Chief Executive Officer	N/A
Professor Carrie Weston	Deputy Chief Executive Officer	N/A
Anita Faherty/ Samuel Akinwonmi	Finance Director	N/A
Najabat Riaz	Secretary	N/A

Statement of Corporate Governance and Internal Control Year to 31 August 2023

The Board of Trustees (continued)

<u>Finance Committee</u>		
Name	Category of Membership	Term
Dotun Olaleye	Chair	4 years
Jeffrey White	Trustee	4 years
Neil Laventure	Trustee	4 years
In Attendance		
Dr Hannah Friend	Chief Executive Officer	N/A
Anita Faherty/ Samuel Akinwonmi	Finance Director	N/A
Najabat Riaz	Secretary	N/A

<u>Staffing and Remuneration Committee</u>		
Name	Category of Membership	Term
Helen Coleman	Chair	4 years
Jerry Arnott	Trustee	4 years
Kelvin Jones	Trustee	4 years
Neil Laventure	Trustee	4 years
In Attendance		
Dr Hannah Friend	Chief Executive Officer	N/A
Toyin Allen/ Lindani Sibanda	Head of Human Relations	N/A
Najabat Riaz	Secretary	N/A

Board of Trustees' interests

The Board of Trustees are shown above and except for any instance mentioned above have served throughout the year. None of the Board of Trustees have any interests within the company.

The Secretary to the Board of Trustees maintains a register of financial and personal interest of the members of the Board of Trustees and senior post holders.

Statement of trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 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 the Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. 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.

Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the organisation together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Board of Trustees met 4 times in 2022/23

The Board of Trustees receives advice on the conduct of its business from three committees. Each committee has its own terms of reference which have been approved by the Board of Trustees. These committees are, the Finance Sub-Committee, Staffing and Remuneration Sub-Committee and the Audit and Risk Sub-Committee.

Metanoia Institute has a strong and independent non-executive element and no individual or group dominates its decision-making process. The organisation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

Full minutes of all meetings, except those deemed to be confidential by the Board of Trustees, are published on the organisation website.

Appointment to the Board of Trustees

Appointment to the Board of Trustees are matters for consideration of the Board of Trustees as a whole.

Board of Trustees Performance

The Board of Trustees have made a strong contribution to the improvements made in 2022/23 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Board meetings. The Board of Trustees provide robust scrutiny and challenge. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Board business. An independent review of the Board performance was carried out during 2022/23. A number of actions were identified and a plan has been put in place to address the actions.

Committees

Audit and Risk Sub-Committee

The Audit and Risk Sub-Committee is responsible to the Board of Trustees in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors. The Committee is responsible for the following:

Committees (continued)

Audit and Risk Sub-Committee (continued)

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

Finance Sub-Committee

The Finance Committee oversees Metanoia Institute's financial reporting process, including the internal control structure and procedures for financial reporting and monitoring the integrity and appropriateness of the financial statements. The Committee monitors and reviews projected levels of income and expenditure across each Faculty and the whole Institute. It ensures an effective framework is in place to review performance against budget and to recommend improvements to accounting policies, systems, and procedures.

Staffing and Remuneration Sub-Committee

The Staffing and Remuneration Sub-Committee oversees and supports policies and practices in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation. The Committee also report on Health and Safety issues. Terms of Reference of the Committees can be found on our website.

Internal Control

Scope of responsibility

The Board of Trustees is ultimately responsible for the organisations system of internal control and for reviewing its effectiveness. However, 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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there was a formal on-going process for identifying, evaluating and managing the Institutes significant risks that had been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Trustees
- ◆ regular reviews by the Board of Trustees of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

Review of effectiveness

As the Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive Officer review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

Review of effectiveness (continued)

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The senior management team and the Audit and Risk Committees also receive regular reports, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Trustees agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2023 meeting, the Board of Trustees, carried out the annual assessment for the year ended 31 August 2023 by considering documentation from the senior management team, and taking account of events since 31 August 2022.

Based on above and reports by the Chief Executive Officer, the Board of Trustees is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2023 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

Regularity, propriety, and compliance

The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Board of Trustees believes it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

Going Concern

Details on Board's going concern assessment are set out on page 13.

Approved by order of the Board of Trustees and signed on its behalf by:



Chair of Trustees
Professor Sally Glen



Chief Executive Officer
Dr. Hannah Friend

Date: 17 January 2024

Independent auditor's report to the members of The Metanoia Institute

Opinion

We have audited the financial statements of The Metanoia Institute (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, 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' report.

Matters on which we are required to report by exception (continued)

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
- ◆ the financial statements are not in agreement with the accounting records; 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006, those that relate to data protection (General Data Protection Regulation), certain conditions of OfS registration including compliance with the OfS' latest Accounts Direction; and
- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- ◆ used data analytics to investigate the rationale behind any significant or unusual transactions;
- ◆ tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charitable company's financial procedures; and
- ◆ Performed substantive testing over fee income to gain assurance that the income recognised was materially complete.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.



Shachi Blakemore, Senior Statutory Auditor
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

29 January 2024

Statement of financial activities (including income and expenditure statement) Year to 31 August 2023
(which includes statement of changes in reserves)

	Notes	Restricted 2023 £	Unrestricted 2023 £	Total 2023 £	Restricted 2022 £	Unrestricted 2022 £	Total 2022 £
Income from:							
Investments		—	49,964	49,964	—	9,408	9,408
Charitable Activities							
. From Educational Services		45,599	5,553,059	5,598,658	12,270	4,908,573	4,920,843
. From Clinical Services		169,464	140,248	309,712	113,753	138,442	252,195
Total Income	1	215,063	5,743,271	5,958,334	126,023	5,056,423	5,182,446
Expenditure on:							
Charitable Activities							
. Educational Services		44,073	5,150,891	5,194,964	12,270	4,924,205	4,936,475
. Clinical Services		144,582	377,388	521,970	113,753	472,437	586,190
Total Expenditure	5	188,655	5,528,279	5,716,934	126,023	5,396,642	5,522,665
Statement of changes in reserves:							
Net income (deficit) and net movement in funds for the year	2	26,408	214,992	241,400	—	(340,219)	(340,219)
Reconciliation in funds:							
Total Funds brought forward 1 September		—	4,506,196	4,506,196	—	4,846,415	4,846,415
Total Funds carried forward 31 August		26,408	4,721,188	4,747,596	—	4,506,196	4,506,196

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 33 to 40 form part of these financial statements.

Balance sheet 31 August 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	6		2,271,505		2,294,357
Current assets					
Debtors	7	195,220		492,443	
Cash at bank and in hand		2,408,644		1,896,554	
Short-term deposits		1,574,535		1,535,464	
		4,178,399		3,924,461	
Creditors: amounts falling due within one year	8	(1,702,308)		(1,712,622)	
Net current assets			2,476,091		2,211,839
Total net assets			4,747,596		4,506,196
The funds of the charity:					
Unrestricted funds:					
. Fixed assets fund	11		2,271,505		2,294,357
. Designated funds	11		—		—
. General funds	11		2,449,683		2,211,839
Restricted funds	11		26,408		—
			4,747,596		4,506,196

Approved by the Trustees and authorised and signed on their behalf by:



Chair of Trustees
Professor Sally Glen



Accountable Officer
Dr. Hannah Friend

Date: 17 January 2024

The notes on pages 33 to 40 form part of these financial statements

The Metanoia Institute
Company Registration Number 02918520 (England and Wales)

Statement of cash flows 31 August 2023

	Notes	2023 £	2022 £
Cash provided by (used in) from operating activities:			
Net cash provided by (used in) operating activities	A	560,959	(478,681)
Cash outflow from investing activities:			
Interest from investments		49,964	9,408
Purchase of tangible fixed assets		(59,762)	(39,000)
Net cash (used in) investing activities		(9,798)	(29,592)
Change in cash and cash equivalents in the year		551,161	(508,273)
Cash and cash equivalents at 1 September	B	3,432,018	3,940,290
Cash and cash equivalents at 31 August	B	3,983,179	3,432,018

Notes to the statement of cash flows for the year to 31 August:

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	241,401	(340,220)
Adjustments for:		
Depreciation charge	82,614	74,406
Interest from investments	(49,964)	(9,408)
Decrease (increase) in debtors	297,222	(296,281)
(Decrease) increase in creditors	(10,314)	92,822
Net cash provided by (used in) operating activities	560,959	(478,681)

B Analysis of cash and net debt

	2023 £	2022 £
Cash at bank and in hand	2,408,644	1,896,554
Short-term deposits	1,574,535	1,535,464
Total cash and cash equivalents	3,983,179	3,432,018

The Institute held no net debt as at 31 August 2023 (2022: nil).

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2023 and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Office for Students' latest Accounts Direction.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ the allocation of support costs to charitable activities.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Board of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Board are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The more significant areas of judgement that affect items in the financial statements are detailed above.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year would be disclosed as short term deposits. Cash placed on deposit for more than one year would be disclosed as a fixed asset investment.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt.

Financial instruments

The organisation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are used for specific purposes as agreed by the Trustees. Expenditure which meets these criteria is charged to the funds.

Restricted funds are used for specific purposes as stated by the Awarding Body. Expenditure which meet these criteria is charged to the fund.

Income

Income includes course fees, clinic charges, grants and investment income. Income is recognised in the year in which the charity is entitled to receipt, it is probable the charity will receive the income and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled or where the funder has specified that the income is to be expended in a future accounting period.

Expenditure

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Direct costs comprise direct costs incurred in carrying out the charitable activities of the organisation including direct staff costs and directly attributable running costs.

Expenditure (continued)

Expenditure which cannot be directly attributed to the relevant department is apportioned on the best estimates of each department's usage. Support costs are apportioned on the basis of time spent. Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the statement of financial activities.

Governance costs are costs associated with governing the charity including strategic planning and compliance with constitutional and statutory requirements. They are included in charitable activities within support costs and allocated to charitable activities on the basis of time spent.

Fixed assets

Fixed assets costing £2,000 or more are capitalised at cost.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

♦ Freehold land	Not depreciated
♦ Freehold buildings	2% to 10% straight line
♦ Furniture, fixture and equipment	10% to 33.3% straight line

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1 Grant and fee income

	2023 £	2022 £
Grant income from OfS	45,599	27,127
Grant income from other bodies	169,464	141,702
Fee income for taught awards	2,459,878	2,319,819
Fee income from non-qualifying courses	2,722,438	2,212,442
Clinic client Income	140,248	110,493
School based research income	226,301	270,947
Other income	144,442	99,916
Interest income	49,964	—
	5,958,334	5,182,446

2 Net movement in funds

The net movement in funds is stated after charging:

	2023 £	2022 £
Depreciation	82,614	74,407
Auditor's remuneration – statutory audit	16,650	13,000
Operating lease costs	2,616	10,464

3 Staff costs and remuneration of key management personnel

Full time equivalent employees in the year:

	2023 No.	2022 No.
Educational services	42	41
Clinical services	5	11
Administration and support	37	32
	84	84

Actual employees in the year:

	2023 No.	2022 No.
Educational services	121	113
Clinical services	7	12
Administration and support	57	42
	185	167

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	3,316,770	3,155,566
Social security costs	317,959	330,502
Pension costs	56,430	57,222
	3,691,159	3,543,290
Trainers' fees	655,122	646,552
	4,346,281	4,189,842

3 Staff costs and remuneration of key management personnel (continued)

The Institute has given regard to the “Guidance on decisions taken about severance payments in HEI’s” published by the Committee of University Chairs when determining severance pay.

Employees earning greater than £60,000 during the year:

	2023 No.	2022 No.
£60,000 - £65,000	—	1
£65,001 - £70,000	4	2
£75,001 - £80,000	1	1
£80,001 - £85,000	—	—
£85,001 - £90,000	—	1
£90,001 - £95,000	2	1
£110,001 - £115,000	—	—
£130,001 - £135,000	1	—
£145,001 - £150,000	—	1
	8	7

Pension contributions in respect of these employees were £12,176 (2022: £9,230).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis comprise the Trustees, the Chief Executive Officer (CEO), the Chief Operating Officer, three Faculty Heads (2022: 3), and the Director of Finance and the Director of Education. The total remuneration (including taxable benefits and employers’ pension contributions) of the key management personnel for the year was £653,242 (2022: £677,237).

Chief Executive Officer Remuneration

	2023 £	2022 £
Basic salary	119,167	133,875
Holiday pay	10,200	14,417
Bonus	—	500
Pension contribution	1,468	—
	130,835	148,792

The Chief Executive Officer’s remuneration shown in the year was recommended by the Staff and Remuneration Sub-Committee (SARSC). SARSC determines the salaries and conditions of service of all senior staff, including the Chief Executive Officer and the Executive Team. SARSC forwards their deliberations to the Finance Sub-Committee (FSC) who assessed the economic and financial good standing of the Institute, projected future student growth, and academic success. FSC presents their recommendations to the full Board of Trustees for approval.

Chief Executive’s basic salary as a multiple of the median of all staff 3.37 (2022: 2.67) Chief Executive’s total remuneration as a multiple of the median of all staff 3.37 (2022: 2.67) Trustees were not paid any remuneration, only expenses were reimbursed (see note 4 for details).

4 Trustees' remuneration and reimbursed expenses

One Trustee received reimbursement of travel expenses in the year of £215 (2022: Two Trustees received £559 in total). None received remuneration for their services or benefits in either the current or prior year.

The Institute paid £nil (2022: £2,299) in relation to trustee indemnity insurance during the year. This has been renewed post year end.

The organisation gifted the ex-Chair of the Trustees a leaving present worth approximately £5,000 in 21/22. The Charity Commission was duly informed of this, noting that our Gift Policy had been reviewed.

5 Analysis of total resources expended

	Staff costs (note 3) £	Other £	Depreciation £	Total 2023 £
Charitable expenditure				
Educational services	3,969,759	1,142,591	82,614	5,194,964
Clinical services	376,522	145,448	—	521,970
	4,346,281	1,288,039	82,614	5,716,934

	Staff costs (note 3) £	Other £	Depreciation £	Total 2022 £
<i>Charitable expenditure</i>				
<i>Educational services</i>	<i>3,760,143</i>	<i>1,101,927</i>	<i>74,406</i>	<i>4,936,476</i>
<i>Clinical services</i>	<i>429,699</i>	<i>156,491</i>	<i>—</i>	<i>586,190</i>
	4,189,842	1,258,418	74,406	5,522,666

5a

	Direct costs £	Support costs (note 5b) £	Total 2023 £
Charitable expenditure			
Educational services	4,324,970	869,993	5,194,963
Clinical services	231,972	289,998	521,970
	4,556,942	1,159,991	5,716,933

	Direct costs £	Support costs (note 5b) £	Total 2022 £
<i>Charitable expenditure</i>			
<i>Educational services</i>	<i>4,102,237</i>	<i>834,238</i>	<i>4,936,475</i>
<i>Clinical services</i>	<i>308,111</i>	<i>278,079</i>	<i>586,190</i>
	4,410,348	1,112,317	5,522,665

5 Analysis of total resources expended (continued)

5b Analysis of support costs

	Total 2023 £	Total 2022 £
Support services		
Rent and rates	10,222	15,777
Heat, light and power	25,050	23,206
Travel and expenses	8,458	13,816
Printing and stationery	44,985	46,318
Property maintenance	97,067	70,099
Other staff costs	25,458	33,110
Validated program costs	403,975	353,738
Library books and journals	36,807	41,901
Computer software	199,140	128,985
Consultancy fees	32,479	19,070
Legal and professional fees	50,647	165,782
QAA registrations	29,599	29,150
General expenses	196,104	171,365
	1,159,991	1,112,317

6 Tangible fixed assets

	Freehold land and buildings £	Furniture, fixtures and equipment £	Total 2023 £
Cost			
At 1 September 2022	2,919,369	224,265	3,143,634
Additions	—	59,762	59,762
Disposals	—	—	—
At 31 August 2023	2,919,369	284,027	3,203,396
Accumulated depreciation			
At 1 September 2022	699,142	150,135	849,277
Charge for the year	37,061	45,553	82,614
Disposals	—	—	—
At 31 August 2023	736,203	195,688	931,891
Net book values			
At 31 August 2023	2,183,166	88,339	2,271,505
At 31 August 2022	2,220,227	74,130	2,294,357

7 Debtors

	2023 £	2022 £
Fee debtors	70,368	373,673
Prepayments and accrued income	124,852	118,770
	195,220	492,443

8 Creditors: Amounts falling due within one year

	2023 £	2022 £
Deferred income	1,434,423	1,308,996
Trade creditors	44,320	206,117
Other taxes and social security costs	3,887	88,311
Accruals	219,678	109,198
	1,702,308	1,712,622

Deferred income relates to fee and training income received in advance for the following academic year, as well as restricted funding intended for carrying out specific research in the following financial year. The movement on the deferred income balance was as follows:

	2023 £	2022 £
Balance as at 1 September	1,308,996	1,416,749
Amount released to income	(1,308,996)	(1,416,749)
Amount deferred in year	1,434,423	1,308,996
Balance as at 31 August	1,434,423	1,308,996

9 Members' liability

The Metanoia Institute is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability is limited to £1 per member.

10 Operating leases

The charity had total future minimum commitments in respect to non-cancellable operating leases at 31 August as follows:

	2023 £	2022 £
Equipment		
Within one year	2,616	10,464
	2,616	10,464

11 Movement in funds

	At 1 September 2022 £	Incoming resources £	Resources expended £	Transfers £	Total 2023 £
Unrestricted					
General	2,211,839	5,698,088	(5,400,482)	(59,762)	2,449,683
Designated					
. Bursary	—	45,183	(45,183)	—	—
. Fixed assets fund	2,294,357	—	(82,614)	59,762	2,271,505
Total Unrestricted	4,506,196	5,743,271	(5,528,279)	—	4,721,188
Restricted					
AMORAY	—	24,882	—	—	24,882
TARCT	—	33,860	(33,860)	—	—
The Trust of St Bethe	—	20,963	(20,963)	—	—
UKRI	—	72,981	(72,981)	—	—
OfS Capital Grant	—	14,819	(14,819)	—	
OfS Teaching fund	—	23,110	(23,110)	—	
OfS Hardship fund	—	7,670	(6,144)	—	1,526
BACP	—	15000	(15000)	—	—
Open University	—	1778	(1778)	—	—
Total Restricted	—	215,063	(188,655)	—	26,408
	4,506,196	5,958,334	(5,716,934)	—	4,747,596

Designated funds relate to:

- ◆ The bursary fund represents funds set aside for the purpose of providing bursaries.
- ◆ The fixed asset fund represents the net book value of the Institute's tangible fixed assets.

Restricted funds relate to:

- ◆ Assessment of Mental Health of Refugees and Asylum Seekers by Youth Workers (AMORAY) is a grant awarded by Erasmus +. We work in partnership with four organisations.
- ◆ European Association for Transactional Analysis (TARCT) is a grant awarded for Reviewing and validating the scientific foundations of Transactional Analysis practice and research.
- ◆ UKRI Research Award grant was awarded to research what support therapists need to do research and a review of studies into how therapists experience research.
- ◆ OfS teaching funds were funds allocated by the Office for Students for teaching expenditure.
- ◆ OfS hardship funds were funds allocated by the Office for Students for hardship expenditure.

11 Movement in funds (continued)

- ◆ OfS Capital funds were funds allocated by the Office for Students for capital expenditure.
- ◆ Grant from council for MCPS. Ealing Abbey; Trust of St Bethe.
- ◆ BACP is a grant awarded to work in partnership with Autus UK and 3Dnovations to deliver a 12-month project to develop an avatar assisted counselling intervention for autistic people from minority ethnic backgrounds, and to test its feasibility and acceptability to clients and therapists.
- ◆ Open University granted an award to work on a project involving the mutuality of relational depth moments in psychotherapy.

	At 1 September 2021 £	Incoming resources £	Resources expended £	Transfers £	Total 2022 £
<i>Unrestricted</i>					
<i>General</i>	2,358,550	5,002,985	(5,268,798)	119,102	2,211,839
<i>Designated</i>					
. Bursary	—	52,968	(52,968)	—	—
. Redevelopment fund	158,102	—	—	(158,102)	—
. Fixed assets fund	2,329,763	—	(74,406)	39,000	2,294,357
<i>Total Unrestricted</i>	<u>4,846,415</u>	<u>5,055,953</u>	<u>(5,396,172)</u>	<u>—</u>	<u>4,506,196</u>
<i>Restricted</i>					
AMORAY	—	39,928	(39,928)	—	—
HEROINES	—	12,528	(12,528)	—	—
TARCT	—	39,836	(39,836)	—	—
UKPC Research Award	—	1,189	(1,189)	—	—
OfS Capital Grant	—	12,740	(12,740)	—	—
Southerlands	—	1,717	(1,717)	—	—
BACP	—	15,000	(15,000)	—	—
Open University	—	3,555	(3,555)	—	—
<i>Total Restricted</i>	<u>—</u>	<u>126,493</u>	<u>(126,493)</u>	<u>—</u>	<u>—</u>
	<u>4,846,415</u>	<u>5,182,446</u>	<u>(5,522,665)</u>	<u>—</u>	<u>4,506,196</u>

12 Related Party Transactions

Other than those disclosed in earlier notes to the accounts, there were no other related party transactions in the year.

13 Analysis of net assets between funds

Analysis of net assets between funds:

	General fund £	Designated funds including fixed asset fund £	Restricted funds £	Total 2023 £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	—	2,271,505	—	2,271,505
Current assets	4,178,399	—	—	4,178,399
Creditors: amounts falling due within one year	(1,702,308)	—	—	(1,702,308)
Total net assets	2,476,091	2,271,505	—	4,747,596

	General fund £	Designated funds including fixed asset fund £	Restricted funds £	Total 2022 £
<i>Fund balances at 31 August 2022 are represented by:</i>				
<i>Tangible fixed assets</i>	<i>—</i>	<i>2,294,357</i>	<i>—</i>	<i>2,294,357</i>
<i>Current assets</i>	<i>3,914,956</i>	<i>—</i>	<i>9,505</i>	<i>3,924,461</i>
<i>Creditors: amounts falling due within one year</i>	<i>(1,703,117)</i>	<i>—</i>	<i>(9,505)</i>	<i>(1,712,622)</i>
<i>Total net assets</i>	<i>2,211,839</i>	<i>2,294,357</i>	<i>—</i>	<i>4,506,196</i>

Detailed expenditure account 31 August 2023

This page does not form part of the financial statements

	2023 £	2023 £	2022 £	2022 £
Expenditure				
Educational services:				
Salaries and wages	2,980,335		2,773,305	
Trainers' fees	631,108		615,132	
National Insurance	285,581		292,601	
Pension costs	49,920		48,884	
Staff recruitment and training	30,194		65,620	
External examiners fees	61,312		52,750	
Bursaries	45,183		52,968	
Validation fees	402,855		355,245	
Conference and courses	3,397		983	
Premises and maintenance	118,575		97,325	
Printing and stationery	55,348		48,756	
Depreciation	82,614		74,407	
Travel and subsistence	9,719		15,214	
Consultancy	32,479		19,069	
Library books and journals	36,807		41,900	
Course Residential	5,113		17,600	
Rent and room hire	24,209		5,976	
Computer software	199,140		108,985	
Sundry	13,716		58,478	
Catering	5,522		7,508	
Legal and professional	26,760		78,095	
QAA/OfS registrations	29,599		29,150	
Advertising and marketing	9,075		3,714	
Committee costs	2,765		27,049	
Indemnity insurance	—		2,299	
Auditor's remuneration	16,650		13,000	
Bank charges	36,987		30,462	
		5,194,963		4,936,475
Clinical services:				
Salaries and wages	336,434		382,261	
Trainers' fees	24,014		31,420	
National Insurance	32,378		37,901	
Pension costs	7,710		9,537	
Research partner fees	—		35,761	
Establishment costs	49,292		41,812	
Compliance (DBS) checks	6,843		5,578	
Sundry	22,733		5,748	
Computer support costs	38,665		35,964	
Conferences and courses	3,901		208	
		521,970		586,190
Total resources expended		5,716,933		5,522,665

Accounts

**The
Metanoia
Institute**

**Annual Report and Financial
Statements**

31 August 2021

Charity Registration Number
1050175

Company Registration Number
02918520 (England and Wales)

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Reference and administrative details Year to 31 August 2021

Trustees	Professor Ronald Parker (Chairman) Jeffrey White (Vice Chairman) Jeremy Arnott Dotun Olaleye Kelvin Jones Helen Coleman The trustees are appointed by resolution for a term of up to four years and thereafter for three year terms for a maximum of four consecutive terms.
Company secretary	Najaba Riaz
Chief Executive Officer	Professor Sheila Owen-Jones
Deputy Chief Executive Officer	Professor Carrie Weston
Director of Finance	Anita Faherty
Registered office	13 North Common Road Ealing London W5 2QB
Additional training premises	13 Gunnersbury Avenue Ealing London W5 3XD

Reference and administrative details Year to 31 August 2021

Faculty Heads

Faculty 1: Faculty of Psychotherapy and Counselling	Professor Carrie Weston (Acting Head)
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Faculty 2: Post-Qualification and Professional Doctorates, Research Strategy and Innovation	Dr Biljana van Rijn
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Faculty 3: Faculty of Applied Social and Organisational Sciences Research Strategy and Innovation	Dr Peter Pearce
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Company registration number	02918520
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Charity registration number	1050175
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Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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Bankers	HSBC Bank plc 46 The Broadway London W5 5JZ
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Solicitors	Bates Wells & Braithwaite LLP 2-6 Cannon Street London EC4M 6YH
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Metanoia Institute ("the Institute") is a charitable company limited by guarantee and was established on 8 April 1994. It is governed by a Memorandum and Articles of Association.

Metanoia Institute's registered charity number is 1050175 and the company registered number is 02918520.

The Trustees, who are also directors of the Metanoia Institute for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 August 2021. These have been prepared under the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later, and comply with the latest Office for Students' Accounts Direction.

Governance Structure

Metanoia Institute's governance arrangements have been developed to ensure compliance and best practice is maintained across the organisation. It is recognised that good governance is essential to the maintenance of academic standards, the quality of the student learning experience and effective organisational management.

The Board of Trustees is the senior body acting with legal and strategic accountability for Metanoia Institute. The various authorities and actions pertaining to the Board of Trustees are detailed in two formal documents: the organisation's Articles of Government and Articles of Association. These include: responsibility for corporate governance, corporate performance monitoring, financial stewardship and the on-going management, appraisal and support of the Chief Executive Officer.

The work of the Board of Trustees is supported by three specialist sub-committees: the Finance, Audit and Risk, and Staffing and Remuneration (SARSC). The Audit Committee was formed in May 2020, a Chair is due to be appointed. The purpose of the Finance Committee and the Audit and Risk Committee is to assist the Board of Trustees in fulfilling their statutory financial responsibilities and in discharging their duties diligently and efficiently. The purpose of the SARSC is to oversee and support policies and practice in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation.

At the functional level, there is a clear division of responsibility between the Executive Committee (which oversees all matters pertaining to the strategic, financial and operational management of the Institute) and Academic Board (which oversees all matters pertaining to programmes, academic and student lifecycle management as well as quality assurance and enhancement).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance Structure (continued)

The **Executive Committee** comprises the Chief Executive Officer, Deputy Chief Executive Officer, the three Faculty Heads with the Director of Finance, the Head of Policy, Planning and Compliance (with the Registrar, Facilities Manager and Human Resources Manager), as well as other specialist staff, in attendance on an as-needs basis). Its core purposes are to enact the decisions of the Board of Trustees, to manage the Institute's day-to-day operations and to be accountable for the financial management of the Institute. Furthermore, the Executive ensures that an appropriate level of consideration is given to strategic decisions, that there is accountability for those decisions and that effective leadership of, and communication with, staff across the Institute is achieved. The key responsibilities of the Executive are to deliver the strategic and operational plans of the Institute as well as to agree policies and effect implementation to support that delivery.

The **Academic Board** comprises the Chief Executive Officer, Deputy Chief Executive Officer, the three Faculty Heads, the Director of Finance, the Head of Policy, Planning and Compliance and Registrar as well as academic staff, support staff and student representatives. Its core purpose is to act as Metanoia Institute's principal academic authority. The Academic Board guides the Institute's academic development, the setting and maintenance of threshold academic standards and the quality of the student experience, oversees quality assurance and enhancement and determines and authorises curriculum content. The Academic Board is also responsible for the development of the Strategic Plan as regards portfolio, research, learning, teaching and assessment and for overseeing the validation and review of programmes, the admission of students and all areas pertaining to academic delivery and support.

To enable the Executive Committee and Academic Board to carry out these manifold tasks, **eight sub-committees** (Clinical Ethics; Equality and Diversity; Quality and Standards; Learning, Teaching and Enhancement; Joint Staff Student; Research; Research Ethics, Equality, Diversity and Inclusion) have been established and are operating in a deliberative context. Each sub-committee is chaired by a Faculty Head or other senior manager and comprises a broad membership of staff and student representatives that encourages robust and effective ideas-generation and decision-making throughout the Institute.

Committee servicing is jointly managed by the Professional Bodies and Internal Academic Support Manager and Academic Quality Manager, with the former responsible for diarising and resourcing committee meetings and overseeing the performance of the secretariat, and the latter responsible for brokering the relationships that exist between Metanoia Institute's various committees and sub-committees and for monitoring actions required by the committees.

Vision

Metanoia Institute's Vision 2021 is to invest in the life of individuals, organisations and communities through excellence in training, practice and research in the psychological therapies.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Mission

Metanoia Institute's Mission is fourfold:

- ◆ to offer high quality humanistic and integrative programmes of study in the professional fields of counselling, psychotherapy, counselling psychology and supervision through the provision of a wide range of opportunities;
- ◆ to support research in the development of professional knowledge;
- ◆ to work closely with relevant professional bodies as well as our partners in the university sector;
- ◆ to provide lower cost counselling and psychotherapy services for the benefit of the general public.

Metanoia Institute's Strategic Aims support the pursuit of the Vision and Mission as follows:

- ◆ to offer teaching, training and lifelong learning of the highest quality;
- ◆ to provide students with a theoretical and practical framework on which to base a professional and ethical practice in their chosen area of work;
- ◆ to enhance the Institute's reputation for excellence in practice-based research and scholarship;
- ◆ to offer practitioner training within a supportive and inclusive environment;
- ◆ to provide accessible and effective educational and clinical services to the wider community;
- ◆ to develop a research active culture within each Faculty.

Strategic Aims

Metanoia Institute's decision to work towards Degree Awarding Powers (DAPs) is a collective reflection of the aspirations of our Board of Trustees, Executive, Administration, Support Staff and the Student Body. The strategic aim of the organisation is to consolidate the Institute's position in Higher Education by attaining DAPs, potentially leading to University Title.

Reasons for Seeking Degree Awarding Powers

Metanoia Institute is a mature institution, having been engaged in the development, delivery and assessment of higher education programmes since 1984.

Four of the Institute's programmes (MSc Gestalt Psychotherapy, MSc Integrative Psychotherapy, MSc Transactional Analysis Psychotherapy and BA (Hons) Person-Centred Counselling) having been in continuous delivery for more than twenty years, and the DPsych is currently recruiting its twenty first cohort.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Reasons for Seeking Degree Awarding Powers (continued)

Metanoia Institute is confident that it has the capacity to act as an autonomous academic community, to determine the awards that it offers, to set and maintain the academic standards of those awards and to assure and enhance the quality of the student experience in delivering those awards.

Management Structure

Metanoia Institute's Chief Executive Officer is appointed by, and responsible to the Board of Trustees for implementing the decisions of the Board of Trustees, for the day-to-day executive direction and management of the Institute and for the leadership of all staff.

The Chief Executive Officer line manages the Deputy Chief Executive Officer, the two Faculty Heads, Director of Finance, the Head of Policy, Planning and Compliance (the Executive Team) as well as the Facilities Manager and the Professional Bodies and Internal Academic Manager. With the addition of the Human Resources Manager, this group comprises the Institute's Senior Management Team.

Each Faculty Head has operational management responsibility for their Faculty, a specific portion of the academic portfolio, as well as line management responsibility, for a portion of the complement of academic staff, administration and support staff. Details of staff numbers are provided in note 3 of these financial statements.

Academic Provision

Metanoia Institute's provision is grouped into three distinct faculties:

- ◆ The Faculty of Psychotherapy & Counselling;
- ◆ The Faculty of Post-Qualification & Professional Doctorates and Research Strategy and Innovation.
- ◆ The Faculty of Applied Social and Organisational Sciences.

The **Faculty of Psychotherapy and Counselling** oversees the work of staff and students involved in eight 'core' programmes:

- ◆ Bachelor of Arts (Honours) Person-Centred Counselling;
- ◆ Bachelor of Science (Honours) Humanistic Counselling;
- ◆ Bachelor of Science (Honours) Reflective Therapeutic Practice;
- ◆ Master of Science Contemporary Person-Centred Psychotherapy and Applications;
- ◆ Master of Science Gestalt Psychotherapy;
- ◆ Master of Science Humanistic Psychotherapy;
- ◆ Master of Science Integrative Psychotherapy;
- ◆ Master of Science Transactional Analysis Psychotherapy.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

The **Faculty of Post-Qualification & Professional Doctorates** oversees the work of staff and students involved in the following four programmes as well as other Doctoral developments:

- ◆ The Doctorate in Psychotherapy by Professional Studies;
- ◆ The Doctorate in Psychotherapy by Public Works;
- ◆ The Doctorate in Counselling Psychology and Psychotherapy by Professional Studies;
- ◆ Doctor of Philosophy.

Research Strategy and Innovation oversees the work of staff and students involved in research across the Institute and with external partners in the following ways:

- ◆ Research Centre: faculty-wide research activities and events;
- ◆ Research projects with other universities and research partners;
- ◆ Research Clinic and the development of research practice;
- ◆ The Ealing Borough Consortium;
- ◆ Maximise Research and Research Income.

The **Faculty of Applied Social & Organisational Sciences** oversees the work of staff and students involved in the following programmes and counselling services:

- ◆ Master of Arts Therapeutic Fostering and Adoption;
- ◆ Master of Science Creative Writing for Therapeutic Purposes;
- ◆ Post Qualification Conversion Diploma from Adult to Adolescent and School Counselling;
- ◆ Post Qualification, IAPT licensing, Practitioner and Supervisor Training Counselling for Depression;
- ◆ Ethos Schools Based Humanistic Counselling Randomised Controlled Trial;
- ◆ The Metanoia Schools Counselling Service.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

In addition to the higher education provision listed above, Metanoia Institute continues to offer professional clinical diploma routes for those students who wish to register as practitioners but who do not seek an academic qualification. These programmes are taught alongside the award-bearing programmes and overseen by the Faculty of Applied Psychotherapy and Counselling:

- ◆ Diploma in Gestalt Psychotherapy;
- ◆ Diploma in Humanistic Counselling;
- ◆ Diploma in Humanistic Psychotherapy;
- ◆ Diploma in Integrative Psychotherapy;
- ◆ Diploma in Person-Centred Counselling;
- ◆ Diploma in Person-Centred Psychotherapy;
- ◆ Diploma in Transactional Analysis Counselling;
- ◆ Diploma in Transactional Analysis Psychotherapy.

Metanoia Institute offers a range of continuing professional development (CPD) courses (ranging from evening workshops to multi-day professional certificates) that are open to students, staff, alumni and independent practitioners.

The student population

Metanoia Institute's student population stood at 1203 in 2020/21 of whom 170 are enrolled on Doctoral programmes, 374 on taught post-graduate programmes, 156 on taught undergraduate programmes and 503 on professional programmes.

Metanoia Institute recruits both nationally and internationally, with 70% of the Institute's current students coming from the UK, 15% from within the EU and 6% from outside the EU. Within the UK, 30% came from London, 10% from the South-East and 8% from the remainder of the UK. Approximately 3% remain unknowns and 45% of UK domiciled students remain non-categorised, but we are working on improving our data capture.

Metanoia Institute's student body is both atypical and diverse, with a gender ratio of 78% female to 21% male (704:190) and an average age of 44 across all programmes. 12% of the Institute's students identify as belonging to the Lesbian, Gay, Bisexual, Transsexual Queer or Intersex (LGBTQI) community, 18% identify as coming from a black or minority ethnicity (BME) background and 10% have disclosed a specific disability.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Quality monitoring

Quality monitoring is undertaken via the following:

- ◆ Assessment Boards;
- ◆ Board of Studies;
- ◆ University Validation Bodies (MDX);
- ◆ Accreditation Boards (BPS, BACP, BAC, EAP, HCPC, UKCP);
- ◆ Quality Assurance Agency (QAA);
- ◆ University Annual Monitoring Reports;
- ◆ External Examiner Reports.

How our activities deliver public benefit

The Trustees have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on Public Benefit.

The Trustees and senior management team took account of the public benefit requirements whilst setting the strategic plan. The Trustees and senior management team believe that all of Metanoia Institute's objects are linked to the provision of public benefit.

Examples of public benefit with regard to our educational services include:

- ◆ The provision of a range of training courses in psychological therapy;
- ◆ The provision of a range of optional academic qualifications for students undertaking a first training in psychological therapy from BA (Hons) to Doctoral level;
- ◆ The provision of additional academic qualifications to practitioners qualified in psychological therapy;
- ◆ The provision of a range of workshops suitable for continuing professional development needs;
- ◆ The provision of increased public learning and knowledge about psychological therapy, as a result of research undertaken within the Metanoia Institute; and
- ◆ Counselling within Schools.

A key feature of the Institute's public benefit with regard to educational services is the provision of bursaries. The Trustees believe that students' learning is enhanced in a diverse community and Metanoia students come from a range of ethnic and economic backgrounds.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

How our activities deliver public benefit (continued)

Examples of public benefit with regard to clinical services include:

- ◆ The Metanoia Counselling and Psychotherapy Service (MCPS) provides accessible services to the local community. The growth of the Research Clinic within the Metanoia Counselling and Psychotherapy Service demonstrates the Institute's commitment to the provision of effective psychological therapies. Clients, together with their counsellor/psychotherapist, will complete a number of psychological testing measures on a regular basis which will then be analysed. Examples of measures to be used include Beck's depression inventory. Results of the research will be used to ensure the effectiveness of training and therefore services.
- ◆ The provision of a free assessment to ascertain whether a potential client is suitable for counselling/psychotherapy within MCPS. Previously clients were assessed by telephone, but since the introduction of face-to-face assessment sessions, greater numbers of clients have applied for assessment sessions.
- ◆ The provision of lower cost counselling and psychotherapy services to the general public. Fees are charged on a sliding scale dependent on the client's ability to pay. The minimum fee is £5 per session which is typically 10% of the fee charged by therapists in private practise.
- ◆ The provision of counselling for a period of up to six months. Access to counselling via the local Primary Care Trust is usually restricted to four, six or twelve sessions.
- ◆ The provision of a range of different approaches to counselling and psychotherapy to offer clients a choice of a preferred mode.

Achievements and performance

The principal activity is the provision of training courses in counselling, psychotherapy and counselling psychology and other associated therapies. The Institute also runs a lower cost clinic service. There has been no change in the policies adopted by the Institute to achieve its objectives.

The training is provided using the services, on a part time basis, of qualified trainers in counselling, psychotherapy and counselling psychology. Many students are qualified professionals in the healthcare field. The courses are run on a part-time basis, normally at weekends and lead to a qualification after three or more years. New funding for research via counselling in schools activity also contributed to an increase in income.

Metanoia Institute continued to invest in its rolling programme of repairs and replacements, ensuring that student facilities are maintained to the highest standards.

Premises

Metanoia Institute fully owns its two properties at North Common Road and Gunnersbury Avenue, which were recently valued at approximately £6,000,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Fundraising

The Institute does not solicit donations and is not registered with the Funding Regulator. If a donation is received from an individual, the Institute applies GDPR rules. There have been no complaints received in the year in respect of fundraising.

Trustees Report COVID-19 Response

Activities affected by virus control measures

The Institute responded pro-actively to the control measures required for COVID-19 with the following measures put in place:

- ◆ Knowing that we would not be able to teach face to face, we moved our teaching to live on-line training.
- ◆ All our employees worked from home. We provided those that required equipment with the necessary technology.
- ◆ All scheduled meetings took place on-line. These included internal Board of Trustees, Committee, Executive and Team meetings. Meetings also took place with external organisations on-line.

Both staff and students responded well to our new way of working.

We continued to invest in technology for our staff to work from home, but this has been at a cost of £5,385 (2020: £8,202) All off the technology purchased will be returned to the organisation when staff can return to work.

FUTURE PLANS

Similar to other higher education institutions, we are faced with the complex task of ensuring that our students receive the best possible training experience, whilst taking all appropriate measures to prevent the continued transmission of the COVID-19 virus in the community. We will be returning to face-to-face teaching from September 2021, as is expected of all Universities. However, we will still have plans in place for a dual delivery approach should they be required.

A Metanoia Institute 'dual delivery' model, guided by two equal principles:

- ◆ Safety and wellbeing of the entire Metanoia Institute community
- ◆ Provision of learning and teaching excellence on all programmes

The dual delivery approach will take a 'best of both worlds' position. Some learning opportunities will be offered to all students in a face-to-face format, with a spine of online teaching taking place via Zoom and through enhanced online activities. The dual delivery approach allows for flexibility in terms of respecting student choice, plus the potential for agility in the light of changing circumstances.

FUTURE PLANS (continued)

It will provide sufficient face-to-face teaching opportunities to ensure the continuity of the fundamentals of Metanoia Institute training; those being teaching which fosters relational learning and requires interpersonal, experiential opportunities. However, high-quality teaching and learning will also be offered online, producing a blended offer.

Operational arrangements:

As we are unable to comply fully with social distancing measures at our own premises, should they be reintroduced we have rented space at Middlesex University. This will allow us to comply with social distance measures when providing face to face learning.

To function within the principle of safety and wellbeing in our dual delivery model, the following operational measures will apply:

- ◆ When on premises, full safety precautions and resources will be mandatory (hand sanitiser, social distancing, self-reporting of symptoms, etc).
- ◆ All staff and students will need to provide personal contact details to enable 'track-and-trace' to operate.
- ◆ Students and staff should only attend on premises if they are feeling well and all those in their immediate household are well.
- ◆ Any person attending a teaching event on premises must leave immediately if they experience any symptoms of being unwell or related to COVID-19 (raised temperature, sore throat, cough, loss of sense of taste/smell).
- ◆ Students must inform their tutor / Academic Co-ordinator of their intention to either attend in person or study remotely, ideally no less than 24 hours prior to the timetabled teaching event.

These operational arrangements demonstrate to students and staff that we are fully guided by the principle of safety and wellbeing.

In the event of any local or national lock down we will revert to on-line teaching and students and staff have been made aware of this.

Phased Return to Work

For the new academic year we have implemented a phased return to work. Rotas, and flexible hours including staggered start and end times have been introduced. This will allow us to test health and safety measures in practice and ensure we can work with larger numbers before encouraging more of our workforce back. We would return to home working should restrictions be reintroduced.

FINANCIAL REVIEW

Financial performance

The incoming resources for the year amounted to £5,422,274, (2020: £4,461,830). This represents an increase of £960,443 on the previous year. We received a higher contract amount from Health Education England. In addition, we delivered significantly more Counselling for Depression provision than in the prior year.

Expenditure for the year amounted to £4,867,640 (2020: £4,312,678), an increase of £554,962. This increase in expenditure was mainly attributable to increased investment in professional staff.

As a result of the above, net income for the year was £554,634 (2020: £149,152).

Reserves policy and going concern

The Trustees define free reserves in accordance with Charity Commission guidelines in that they are generally unrestricted funds less tangible fixed assets, net of any related loans and excluding designated funds.

The Trustees have reviewed the Institute's reserves policy and have decided to set reserves at the equivalent of three months operating expenses, which approximates to £1,100,000 (2020: £950,000).

At 31 August 2021, free reserves amounted to £2,358,544 (2020: £1,749,268) which is above the target. Future plans include significant capital investment within the next two years and reserves are being held above target to achieve this plan. Restricted funds were received within year, the balance of these was £nil at year end.

Trustees have agreed to review the level of reserves annually to ensure the appropriateness of the agreed level of reserves and any action required to adjust funds held in reserves.

We have incorporated £37,000 within the 2021/22 budget to pay for the hire of room rental at another organisation should we require the need for social distancing measures as we are limited to amount of face to face teaching we can carry out within our own premises.

After making appropriate enquiries, including student enrolment numbers for 2021/22 academic year the Board of Trustees considers that the organisation has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The risk we face is if social distancing is reinstated and whether our students or prospective students are content with being taught through a mixture of blended learning. To mitigate risks we have incorporated a section within the Student Contracts informing them that we will adhere to Government Guidelines in the event that restrictions are reintroduced and will revert to live on-line teaching should another lockdown be implemented.

FINANCIAL REVIEW (continued)

We do not have a pension liability. We do have funds invested within a high street bank. Interest rates have decreased, and we have adjusted the forecast interest accordingly, but the decrease was minimal.

RISK MANAGEMENT

The Trustees have formally re-assessed and reviewed the major risks to which the Institute is exposed to. Particular attention has been paid to the risks associated with the economic climate. The effectiveness of control systems in mitigating the Institute's exposure to these risks have also been assessed. The key risks to the Institute, and measures to mitigate these risks, are listed below:

- ◆ Student numbers – The Institute mitigates the risk of not achieving the desired number of students by planning in advance, particularly as part of the budget process, and ensuring continued retention of students.
- ◆ Reputation – The Institute maintains quality and standards and ensures compliance in all areas, whilst also ensuring student involvement and engagement.
- ◆ Technology – The Institute ensures systems are up to date, encrypted and appropriate for business purposes and processes.

Risk assessment continues to be an ongoing process at the Institute.

Trustees' Report approved by the Trustees on 23 November 2021
and signed on their behalf by:



Professor Ronald Parker

Chairman

Statement of Corporate Governance and Internal Control Year to 31 August 2021

The following statement is provided to enable readers of the annual report and financial statements of Metanoia Institute to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2020 to 31 August 2021 and up to the date of the approval of the annual report and financial statements.

Metanoia Institute endeavours to conduct its business;

1. Having due regard to the UK Corporate Governance Code in so far as it is applicable to the Higher Education Sector.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted and the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Board of Trustees recognises that as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

Legal Status

The Metanoia Institute is a Registered Charity and a Private Limited Company by guarantee without share capital use of limited exemption.

The Board of Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

The Board of Trustees

The members who served on the Board of Trustees during the year and up to the date of signature of this report are listed below. The next AGM is due to take place in February 2022.

Name	Category of Membership	Date First Appointed	Expiry of Term of Office*	Date of Reappointment/Retirement	Attendance 1/9/20-31/8/21
Professor Ronald Parker	Chair	20/11/2000	20/11/2023	Reappointed: 26/11/2019	4 of 4
Jeffrey White	Vice-Chair, Trustee	29/04/2008	29/04/2020	Needs to be reappointed at next AGM	4 of 4
Jerry Arnett	Trustee	29/04/2014	29/04/2023	Reappointed: 05/02/2019	4 of 4
Helen Coleman	Trustee	26/11/2019	26/11/2023	N/A	3 of 4
Kelvin Jones	Trustee	26/11/2019	26/11/2023	N/A	4 of 4
Dotun Olaleye	Trustee	10/05/2016	10/05/2020	Needs to be reappointed at next AGM	3 of 4
In Attendance:					
Professor Sheila Owen-Jones	Chief Executive Officer	N/A	N/A	N/A	N/A
Professor Carrie Weston	Deputy Chief Executive Officer	N/A	N/A	N/A	N/A
Anita Faherty	Finance Director	N/A	N/A	N/A	N/A
Douglas Bertram	Secretary	N/A	N/A	N/A	N/A
Najaba Riaz	Secretary	N/A	N/A	N/A	N/A

Statement of Corporate Governance and Internal Control Year to 31 August 2021

Audit and Risk Committee		
Name	Category of Membership	Term
TBC	Chair	3 years
Helen Coleman	Trustee	3 years
Kelvin Jones	Trustee	3 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Professor Carrie Weston	Deputy Chief Executive Officer	N/A
Anita Faherty	Finance Director	N/A
Najaba Riaz	Secretary	N/A

The Audit and Risk Committee was formed in May 2020, a Chair of the Committee is due to be appointed.

Finance Committee		
Name	Category of Membership	Term
Jerry Arnott	Chair	4 years
Dotun Olaleye	Trustee	4 years
Jeffrey White	Trustee	4 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Anita Faherty	Finance Director	N/A
Douglas Bertram	Secretary	N/A
Najaba Riaz	Secretary	

Staffing and Remuneration Committee		
Name	Category of Membership	Term
Helen Coleman	Chair	4 years
Jerry Arnott	Trustee	4 years
Jeffrey White	Trustee	4 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Toyin Allen	Head of Human Resources	N/A
Douglas Bertram	Secretary	N/A
Najaba Riaz	Secretary	N/A

Board of Trustees' interests

The Board of Trustees are shown above and except for any instance mentioned above have served throughout the year. None of the Board of Trustees have any interests within the company.

The Secretary to the Board of Trustees maintains a register of financial and personal interest of the members of the Board of Trustees and senior post holders. This can be obtained by contacting naj.riaz@metanoia.ac.uk

Statement of trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 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 the Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Statement of trustees' responsibilities (continued)

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. 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.

Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the organisation together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Board of Trustees met 4 times in 2020/21.

The Board of Trustees receives advice on the conduct of its business from three committees. Each committee has its own terms of reference which have been approved by the Board of Trustees. These committees are, Finance, Staffing and Audit and Risk. The Audit and Risk Committee was formed in May 2020, a Chair is due to be appointed.

Metanoia Institute has a strong and independent non-executive element and no individual or group dominates its decision-making process. The organisation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman and Accounting Officer are separate.

Full minutes of all meetings, except those deemed to be confidential by the Board of Trustees, are published on the organisation website.

Appointment to the Board of Trustees

Appointment to the Board of Trustees are matters for consideration of the Board of Trustees as a whole.

Board of Trustees Performance

The Board of Trustees have made a strong contribution to the improvements made in 2020/21 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Board meetings. The Board of Trustees provide robust scrutiny and challenge. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Board business. An independent review of the Board performance was carried out during 2020/21.

Committees

Audit and Risk Committee

The Audit and Risk Sub-Committee is responsible to the Board of Trustees in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors. The Committee was formed in May 2020, a Chair is due to be appointed. The Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

Finance Committee

The Finance Committee oversees Metanoia Institute's financial reporting process, including the internal control structure and procedures for financial reporting and monitoring the integrity and appropriateness of the financial statements. The Committee monitors and reviews projected levels of income and expenditure across each Faculty and the whole Institute. It ensures an effective framework is in place to review performance against budget and to recommend improvements to accounting policies, systems, and procedures.

Staffing and Remuneration Committee

The Staffing Committee oversees and supports policies and practices in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation. The Committee also report on Health and Safety issues. Terms of Reference of the Committees can be found on our website.

Internal Control

Scope of responsibility

The Board of Trustees is ultimately responsible for the organisations system of internal control and for reviewing its effectiveness. However, 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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there was a formal on-going process for identifying, evaluating and managing the

Institutes significant risks that had been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Trustees
- ◆ regular reviews by the Board of Trustees of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

Review of effectiveness

As the Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive Officer review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The senior management team and the Audit and Risk Committees also receive regular reports, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Trustees agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2021 meeting, the Board of Trustees, carried out the annual assessment for the year ended 31 August 2021 by considering documentation from the senior management team, and taking account of events since 31 August 2020.

Based on above and reports by the Chief Executive Officer, the Board of Trustees is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2021 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

Regularity, propriety, and compliance

The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Board of Trustees believes it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

Statement of Corporate Governance and Internal Control Year to 31 August 2021

Going Concern

Details on Board's going concern assessment are set out on pages 31 and 32.

Approved by order of the Board of Trustees and signed on its behalf by:



Chair
Professor Ronald Parker



Chief Executive Officer
Sheila Owen-Jones

23 November 2021

Independent auditor's report to the members of The Metanoia Institute

Opinion

We have audited the financial statements of The Metanoia Institute (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, 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' 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
- ◆ the financial statements are not in agreement with the accounting records; 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the

United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006, those that relate to data protection (General Data Protection Regulation), certain conditions of OfS registration including compliance with the OfS' latest Accounts Direction; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charitable company's financial procedures; and
- Performed substantive testing over fee income to gain assurance that the income recognised was materially complete.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report Year to 31 August 2021

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.



Shachi Blakemore, Senior Statutory Auditor
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16 December 2021

Statement of financial activities (including income and expenditure statement Year to 31 August 2021
(which includes statement of changes in reserves)

		Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
Income from:					
Investments		—	6,274	6,274	14,520
Other		—	—	—	360
Charitable Activities					
.-From Educational Services		17,134	5,150,924	5,168,058	4,203,774
. From Clinical Services		87,493	160,449	247,942	243,176
Total Income	1	104,627	5,317,647	5,422,274	4,461,830
Expenditure					
Charitable Activities					
. Educational Services		17,134	4,269,509	4,286,643	3,836,677
. Clinical Services		87,493	493,504	580,997	476,001
Total Expenditure	5	104,627	4,763,013	4,867,640	4,312,678
Statement of changes in reserves:					
Net income and net movement for the year	2	—	554,634	554,634	149,152
Reconciliation in Funds					
Total Funds brought forward 1 September		—	4,291,781	4,291,781	4,142,629
Total Funds carried forward 31 August		—	4,846,415	4,846,415	4,291,781

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 34 to 41 form part of these financial statements.

Balance sheet 31 August 2021

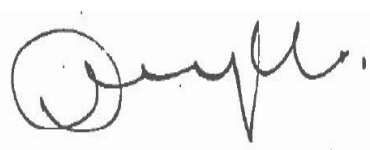
	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	6		2,329,763		2,384,412
Current assets					
Debtors	7	196,161		262,247	
Cash at bank and in hand		2,413,708		1,582,807	
Short-term deposits		1,526,582		1,520,489	
		4,136,451		3,365,543	
Creditors: amounts falling due within one year	8	(1,619,799)		(1,458,173)	
Net current assets			2,516,652		1,907,369
Total net assets			4,846,415		4,291,781
The funds of the charity:					
Unrestricted funds:					
. Fixed assets fund	11		2,329,763		2,384,412
. Designated funds	11		158,102		158,102
. General funds	11		2,358,550		1,749,267
Restricted funds	11		—		—
			4,846,415		4,291,781

Approved by the Trustees and authorised and signed on their behalf by:



Chair of Trustees

Professor Richard Parker



Accountable Officer

Sheila Owen-Jones

Date: 23 November 2021

The notes on pages 34 to 41 form part of these financial statements

The Metanoia Institute

Company Registration Number 02918520 (England and Wales)

Statement of cash flows 31 August 2021

	Notes	2021 £	2020 £
Cash inflow from operating activities:			
Net cash provided by operating activities	A	837,128	147,350
Cash outflow from investing activities:			
Interest from investments		6,274	14,520
Purchase of tangible fixed assets		(6,408)	(13,666)
Net cash (used in) provided by investing activities		(134)	854
Change in cash and cash equivalents in the year		836,994	148,204
Cash and cash equivalents at 1 September	B	3,103,296	2,955,092
Cash and cash equivalents at 31 August	B	3,940,290	3,103,296

Notes to the statement of cash flows for the year to 31 August:

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	554,634	149,152
Adjustments for:		
Depreciation charge	61,057	87,267
Interest from investments	(6,274)	(14,520)
Decrease (increase) in debtors	66,085	(81,973)
Increase in creditors	161,626	7,424
Net cash provided by operating activities	837,128	147,350

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,413,708	1,582,807
Short-term deposits	1,526,582	1,520,489
Total cash and cash equivalents	3,940,290	3,103,296

The Institute held no net debt as at 31 August 2021 or 31 August 2020.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2021 and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Office for Students' latest Accounts Direction.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ the allocation of support costs to charitable activities.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the Institute's activities, beneficiaries, funders, suppliers and the wider economy.'

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and in making their assessment have given consideration to the effects of the pandemic on the organisation and its operations.'

Assessment of going concern (continued)

The Board of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Board are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The more significant areas of judgement that affect items in the financial statements are detailed above.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year would be disclosed as short term deposits. Cash placed on deposit for more than one year would be disclosed as a fixed asset investment.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt.

Financial instruments

The organisation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are used for specific purposes as agreed by the Trustees. Expenditure which meets these criteria is charged to the funds.

Restricted funds are used for specific purposes as stated by the Awarding Body. Expenditure which meet these criteria is charged to the fund.

Income

Income includes course fees, clinic charges, grants and investment income. Income is recognised in the year in which the charity is entitled to receipt, it is probable the charity will receive the income and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled or where the funder has specified that the income is to be expended in a future accounting period.

Expenditure

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Direct costs comprise direct costs incurred in carrying out the charitable activities of the organisation including direct staff costs and directly attributable running costs.

Expenditure which cannot be directly attributed to the relevant department is apportioned on the best estimates of each department's usage. Support costs are apportioned on the basis of time spent. Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the statement of financial activities.

Governance costs are costs associated with governing the charity including strategic planning and compliance with constitutional and statutory requirements. They are included in charitable activities within support costs and allocated to charitable activities on the basis of time spent.

Fixed assets

Fixed assets costing £2,000 or more are capitalised at cost.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

♦ Freehold land	Not depreciated
♦ Freehold buildings	2% to 10% straight line
♦ Furniture, fixture and equipment	10% to 33.3% straight line

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1 Grant and fee income

	2021 £	2020 £
Grant income from the OfS*	54,057	34,647
Grant income from other bodies*	116,944	129,220
Fee income for taught awards	2,656,544	2,468,997
Fee income from non-qualifying courses	1,934,933	1,467,505
Clinic Client Income	130,998	113,957
School Based Research Income	476,538	194,830
Other Income	52,260	52,674
Total grant and fee income	5,422,274	4,461,830

2 Net movement in funds

The net movement in funds is stated after charging:

	2021 £	2020 £
Depreciation	61,057	87,266
Auditor's remuneration – statutory audit	12,000	11,880
Auditor's remuneration – other services	—	2,150
Operating lease costs	10,464	10,464

3 Staff costs and remuneration of key management personnel

Full time equivalent employees in the year:

	2021 No.	2020 No.
Educational services	39	21
Clinical services	10	9
Administration and support	29	27
	78	57

Actual employees in the year:

	2021 No.	2020 No.
Educational services	117	94
Clinical services	12	11
Administration and support	34	32
	163	137

3 Staff costs and remuneration of key management personnel (continued)

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	2,717,611	1,976,203
Social security costs	278,611	252,328
Pension costs	50,193	35,853
	3,046,415	2,264,348
Restructuring Costs	—	39,092
Trainers' fees	708,800	941,366
	3,755,215	3,244,842

There were no Staff restructuring costs in the year (2020: £39,092 relating to one person).

The Institute has given regard to the "Guidance on decisions taken about severance payments in HEI's" published by the Committee of University Chairs when determining severance pay.

Employees earning greater than £60,000 during the year on an annualised basis:

	2021 No.	2020 No.
£60,000 - £65,000	3	—
£75,001 - £80,000	—	1
£80,001 - £85,000	1	2
£85,001 - £90,000	1	—
£100,000 - £105,000	—	1
£110,001 - £115,000	1	—
£125,001 - £130,000	—	1
£130,001 - £135,000	1	1
	7	6

Pension contributions in respect of these employees were £6,874 (2020: £10,052).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the Chief Executive Officer (CEO), the Deputy Chief Executive Officer, two Faculty Heads, a third to be appointed (2020: four), the Director of Finance and the Head of Policy, Planning and Compliance. The total remuneration (including taxable benefits and employers' pension contributions) of the key management personnel for the year was £555,812 (2020: £777,800). The reduction is due to four Faculty Heads being employed in 2020 and only two employed in 2021.

The Academic Director for Faculty one is not part of the Senior Management Team. Their salary details have not been included within the key management personnel details, but they have been included within the number of Employees earning greater than £60,000 during the year.

3 Staff costs and remuneration of key management personnel (continued)

Chief Executive Officer Remuneration

	2021 £	2020 £
Basic salary	131,250	131,682
Bonus	500	500
Pension contribution	—	—
	131,750	132,182

The Chief Executive Officer's remuneration shown in the year was recommended by the Staff and Remuneration Sub-Committee (SARSC). SARSC determines the salaries and conditions of service of all senior staff, including the Chief Executive Officer and the Executive Team. SARSC forwards their deliberations to the Finance, Audit and Risk Committee (FARSC) who assessed the economic and financial good standing of the Institute, projected future student growth, and academic success. FARSC presents their recommendations to the full Board of Trustees for approval.

Chief Executive's basic salary as a multiple of the median of all staff	2.19 (2020: 2.19)
Chief Executive's total remuneration as a multiple of the median of all staff	2.19 (2020: 2.19)

Trustees were not paid any remuneration, only expenses were reimbursed (see note 4 for details).

4 Trustees' remuneration and reimbursed expenses

No trustee received reimbursement of travel expenses in the year (2020: one received £421). None received remuneration for their services or benefits in either the current or prior year.

The Institute paid £1,892 (2020: £1,726) in relation to trustee indemnity insurance during the year.

5 Analysis of total resources expended

	Staff costs (note 3) £	Other £	Depreciation £	Total 2021 £
Charitable expenditure				
Educational services	3,305,578	920,008	61,057	4,286,643
Clinical services	449,637	131,360	—	580,997
	3,755,215	1,051,368	61,057	4,867,640

5 Analysis of total resources expended (continued)

	Staff costs (note 3) £	Other £	Depreciation £	Total 2020 £
Charitable expenditure				
Educational services	2,911,138	838,271	87,267	3,836,676
Clinical services	333,704	142,298	—	476,002
	<u>3,244,842</u>	<u>980,569</u>	<u>87,267</u>	<u>4,312,678</u>

5a

	Direct costs £	Support costs (note 5b) £	Total 2021 £
Charitable expenditure			
Educational services	3,606,562	680,081	4,286,643
Clinical services	354,303	226,694	580,997
	<u>3,960,865</u>	<u>906,775</u>	<u>4,867,640</u>

	Direct costs £	Support costs (note 5b) £	Total 2020 £
Charitable expenditure			
Educational services	3,194,879	641,797	3,836,676
Clinical services	263,121	212,881	476,002
	<u>3,458,000</u>	<u>854,678</u>	<u>4,312,678</u>

5b Analysis of support costs

	Total 2021 £	Total 2020 £
Support services		
Rent and rates	17,534	16,999
Heat, light and power	16,512	16,818
Travel and expenses	2,053	10,062
Printing and stationery	40,460	33,095
Property maintenance	48,470	52,386
Other staff costs	13,386	20,261
Validated program costs	380,920	313,298
Library books and journals	31,707	32,685
Computer software	96,524	89,638
Consultancy fees	12,201	19,827
Legal and professional fees	51,031	48,558
QAA registrations	45,027	30,419
General expenses	150,950	170,632
	<u>906,775</u>	<u>854,678</u>

6 Tangible fixed assets

	Freehold land and buildings £	Furniture, fixtures and equipment £	Total 2020 £
Cost			
At 1 September 2020	2,919,369	193,599	3,112,968
Additions	—	6,408	6,408
Disposals	—	(6,975)	(6,975)
At 31 August 2021	<u>2,919,369</u>	<u>193,032</u>	<u>3,112,401</u>
Accumulated depreciation			
At 1 September 2020	625,020	103,536	728,556
Charge for the year	37,061	23,996	61,057
Disposals	—	(6,975)	(6,975)
At 31 August 2021	<u>662,081</u>	<u>120,557</u>	<u>782,638</u>
Net book values			
At 31 August 2021	<u>2,257,288</u>	<u>72,475</u>	<u>2,329,763</u>
At 31 August 2020	<u>2,294,349</u>	<u>90,063</u>	<u>2,384,412</u>

7 Debtors

	2021 £	2020 £
Fee debtors	78,874	167,651
Prepayments and accrued income	117,287	94,596
	<u>196,161</u>	<u>262,247</u>

There were £4,985 fee debtors which relate to courses straddling two academic years (2020: £nil).

8 Creditors: Amounts falling due within one year

	2021 £	2020 £
Deferred income	1,416,749	1,255,733
Trade creditors	23,877	28,956
Other taxes and social security costs	87,295	107,363
Accruals	91,878	66,121
	<u>1,619,799</u>	<u>1,458,173</u>

Deferred income relates to fee and training income received in advance for the following academic year, as well as restricted funding intended for carrying out specific research in the following financial year. The movement on the deferred income balance was as follows:

	2021 £	2020 £
Balance as at 1 September	1,255,733	1,112,008
Amount released to income	(1,255,733)	(1,112,008)
Amount deferred in year	1,416,749	1,255,733
Balance as at 31 August	<u>1,416,749</u>	<u>1,255,733</u>

9 Members' liability

The Metanoia Institute is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability is limited to £1 per member.

10 Operating leases

The charity had total future minimum commitments in respect to non-cancellable operating leases at 31 August as follows:

Equipment	2021 £	2020 £
Within one year	10,464	10,464
In two to five years	10,464	20,928
	20,928	31,392

11 Movement in funds

	At 1 September 2020 £	Incoming resources £	Resources expended £	Transfers £	Total 2021 £
Unrestricted					
General	1,749,267	5,260,279	(4,644,588)	(6,408)	2,358,550
Designated					
. Bursary	—	57,368	(57,368)	—	—
. Redevelopment fund	158,102	—	—	—	158,102
. Fixed assets fund	2,384,412	—	(61,057)	6,408	2,329,763
Total Unrestricted	4,291,781	5,317,647	(4,763,013))	—	4,846,415
Restricted					
AMORAY	—	35,220	(35,220)	—	—
HEROINES	—	9,966	(9,966)	—	—
TARCT	—	33,496	(33,496)	—	—
UKPC Research Award	—	8,811	(8,811)	—	—
OfS Hardship Funds	—	4,523	(4,523)	—	—
OfS Capital Grant	—	12,611	(12,611)	—	—
Total Restricted	—	104,627	(104,627)	—	—
	4,291,781	5,422,274	(4,867,640)	—	4,846,415

Designated funds relate to:

- ◆ The bursary fund represents funds set aside for the purpose of providing bursaries.
- ◆ The redevelopment fund represents a legacy by Nina Joy Miller and are funds set aside for future academic and structural redevelopment of the Institute.
- ◆ The fixed asset fund represents the net book value of the Institute's tangible fixed assets.

11 Movement in funds (continued)

Restricted funds relate to:

- ♦ Assessment of Mental Health of Refugees and Asylum Seekers by Youth Workers (AMORAY) is a grant awarded by Erasmus +. We work in partnership with four organisations.
- ♦ HEROINES is a grant awarded by Erasmus +. Its focus is the empowerment of women with mental illness living in rural areas through writing therapy.
- ♦ European Association for Transactional Analysis (TARCT) is a grant awarded for Reviewing and validating the scientific foundations of Transactional Analysis practice and research.
- ♦ UKPC Research Award grant was awarded to research what support therapists need to do research and a review of studies into how therapists experience research.
- ♦ OfS Hardship funds were funds allocated by the Office for Students due to COVID 19. The funds could be allocated to students for varying reasons. We allocated funds for internet connection due to teaching on-line. OfS Capital funds were funds allocated by the Officer for Students for capital expenditure.

	At 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Total 2020 £
Unrestricted					
General	1,526,514	4,333,140	(4,096,721)	(13,666)	1,749,267
Designated					
. Bursary	—	29,138	(29,138)	—	—
. Redevelopment fund	158,102	—	—	—	158,102
. Fixed assets fund	2,458,013	—	(87,267)	13,666	2,384,412
Total Unrestricted	4,142,629	4,362,278	(4,213,126)	—	4,291,781
Restricted					
AMORAY	—	71,440	(71,440)	—	—
HEROINES	—	6,769	(6,769)	—	—
TARCT	—	21,343	(21,343)	—	—
Total Restricted	—	99,552	(99,552)	—	—
	4,142,629	4,461,830	(4,312,678)	—	4,291,781

12 Related Party Transactions

Other than those disclosed in note 4 to the accounts the Institute did not conduct any related party transactions in the year.

13 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	2,329,763	—	2,329,763
Current assets	3,928,802	158,102	49,547	4,136,451
Creditors: amounts falling due within one year	(1,570,252)	—	(49,547)	(1,619,799)
Total net assets	2,358,550	2,487,865	—	4,846,415
	General fund £	Designated funds £	Restricted funds £	Total 2020 £
<i>Fund balances at 31 August 2020 are represented by:</i>				
<i>Tangible fixed assets</i>	—	2,384,412	—	<i>2,384,412</i>
<i>Current assets</i>	3,207,441	158,102	—	<i>3,365,543</i>
<i>Creditors: amounts falling due within one year</i>	(1,458,173)	—	—	<i>(1,458,173)</i>
<i>Total net assets</i>	<i>1,749,268</i>	<i>2,542,513</i>	<i>—</i>	<i>4,291,781</i>

Detailed expenditure account 31 August 2021

This page does not form part of the financial statements

	2021 £	2021 £	2020 £	2020 £
Expenditure				
Educational services:				
Salaries and wages	2,314,500		1,712,989	
Trainers' fees	685,501		932,301	
National Insurance	240,669		226,611	
Pension costs	42,609		31,371	
Staff recruitment and training	17,950		22,442	
External examiners fees	68,629		34,943	
Bursaries	57,368		29,137	
Validation fees	377,947		313,298	
Conference and courses	—		500	
Premises and maintenance	77,651		81,090	
Printing and stationery	43,401		68,211	
Depreciation	61,057		87,267	
Travel and subsistence	5,631		12,046	
Consultancy	12,201		19,827	
Library books and journals	31,707		40,669	
Rent and room hire	503		7,695	
Computer software	96,524		93,316	
Sundry	13,569		9,477	
Catering	682		5,008	
Legal and professional	26,548		20,451	
QAA/OfS registrations	45,026		30,418	
Advertising and marketing	3,699		11,267	
Committee costs	15,967		2,871	
Indemnity insurance	1,893		1,727	
Bad debts written off	1,935		3,156	
Auditor's remuneration	12,000		11,880	
Bank charges	31,496		26,709	
	4,286,643		3,836,677	
Clinical services:				
Salaries and wages	403,111		302,306	
Trainers' fees	23,300		9,065	
National Insurance	37,942		25,717	
Pension costs	8,584		5,681	
Research partner fees	28,500		58,467	
Establishment costs	40,409		39,067	
Compliance (DBS) checks	7,280		4,093	
Sundry	29		139	
Computer support costs	31,551		29,218	
Conferences and courses	291		1,018	
Travel and subsistence	—		1,230	
		580,997		476,001
Total resources expended		4,867,640		4,312,678

**The
Metanoia
Institute**

**Annual Report and Financial
Statements**

31 August 2021

Charity Registration Number
1050175

Company Registration Number
02918520 (England and Wales)

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Reference and administrative details Year to 31 August 2021

Trustees	Professor Ronald Parker (Chairman) Jeffrey White (Vice Chairman) Jeremy Arnott Dotun Olaleye Kelvin Jones Helen Coleman The trustees are appointed by resolution for a term of up to four years and thereafter for three year terms for a maximum of four consecutive terms.
Company secretary	Najaba Riaz
Chief Executive Officer	Professor Sheila Owen-Jones
Deputy Chief Executive Officer	Professor Carrie Weston
Director of Finance	Anita Faherty
Registered office	13 North Common Road Ealing London W5 2QB
Additional training premises	13 Gunnersbury Avenue Ealing London W5 3XD

Reference and administrative details Year to 31 August 2021

Faculty Heads

Faculty 1: Faculty of Psychotherapy and Counselling	Professor Carrie Weston (Acting Head)
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Faculty 2: Post-Qualification and Professional Doctorates, Research Strategy and Innovation	Dr Biljana van Rijn
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Faculty 3: Faculty of Applied Social and Organisational Sciences Research Strategy and Innovation	Dr Peter Pearce
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Company registration number	02918520
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Charity registration number	1050175
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Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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Bankers	HSBC Bank plc 46 The Broadway London W5 5JZ
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Solicitors	Bates Wells & Braithwaite LLP 2-6 Cannon Street London EC4M 6YH
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Metanoia Institute ("the Institute") is a charitable company limited by guarantee and was established on 8 April 1994. It is governed by a Memorandum and Articles of Association.

Metanoia Institute's registered charity number is 1050175 and the company registered number is 02918520.

The Trustees, who are also directors of the Metanoia Institute for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 August 2021. These have been prepared under the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later, and comply with the latest Office for Students' Accounts Direction.

Governance Structure

Metanoia Institute's governance arrangements have been developed to ensure compliance and best practice is maintained across the organisation. It is recognised that good governance is essential to the maintenance of academic standards, the quality of the student learning experience and effective organisational management.

The Board of Trustees is the senior body acting with legal and strategic accountability for Metanoia Institute. The various authorities and actions pertaining to the Board of Trustees are detailed in two formal documents: the organisation's Articles of Government and Articles of Association. These include: responsibility for corporate governance, corporate performance monitoring, financial stewardship and the on-going management, appraisal and support of the Chief Executive Officer.

The work of the Board of Trustees is supported by three specialist sub-committees: the Finance, Audit and Risk, and Staffing and Remuneration (SARSC). The Audit Committee was formed in May 2020, a Chair is due to be appointed. The purpose of the Finance Committee and the Audit and Risk Committee is to assist the Board of Trustees in fulfilling their statutory financial responsibilities and in discharging their duties diligently and efficiently. The purpose of the SARSC is to oversee and support policies and practice in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation.

At the functional level, there is a clear division of responsibility between the Executive Committee (which oversees all matters pertaining to the strategic, financial and operational management of the Institute) and Academic Board (which oversees all matters pertaining to programmes, academic and student lifecycle management as well as quality assurance and enhancement).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance Structure (continued)

The **Executive Committee** comprises the Chief Executive Officer, Deputy Chief Executive Officer, the three Faculty Heads with the Director of Finance, the Head of Policy, Planning and Compliance (with the Registrar, Facilities Manager and Human Resources Manager), as well as other specialist staff, in attendance on an as-needs basis). Its core purposes are to enact the decisions of the Board of Trustees, to manage the Institute's day-to-day operations and to be accountable for the financial management of the Institute. Furthermore, the Executive ensures that an appropriate level of consideration is given to strategic decisions, that there is accountability for those decisions and that effective leadership of, and communication with, staff across the Institute is achieved. The key responsibilities of the Executive are to deliver the strategic and operational plans of the Institute as well as to agree policies and effect implementation to support that delivery.

The **Academic Board** comprises the Chief Executive Officer, Deputy Chief Executive Officer, the three Faculty Heads, the Director of Finance, the Head of Policy, Planning and Compliance and Registrar as well as academic staff, support staff and student representatives. Its core purpose is to act as Metanoia Institute's principal academic authority. The Academic Board guides the Institute's academic development, the setting and maintenance of threshold academic standards and the quality of the student experience, oversees quality assurance and enhancement and determines and authorises curriculum content. The Academic Board is also responsible for the development of the Strategic Plan as regards portfolio, research, learning, teaching and assessment and for overseeing the validation and review of programmes, the admission of students and all areas pertaining to academic delivery and support.

To enable the Executive Committee and Academic Board to carry out these manifold tasks, **eight sub-committees** (Clinical Ethics; Equality and Diversity; Quality and Standards; Learning, Teaching and Enhancement; Joint Staff Student; Research; Research Ethics, Equality, Diversity and Inclusion) have been established and are operating in a deliberative context. Each sub-committee is chaired by a Faculty Head or other senior manager and comprises a broad membership of staff and student representatives that encourages robust and effective ideas-generation and decision-making throughout the Institute.

Committee servicing is jointly managed by the Professional Bodies and Internal Academic Support Manager and Academic Quality Manager, with the former responsible for diarising and resourcing committee meetings and overseeing the performance of the secretariat, and the latter responsible for brokering the relationships that exist between Metanoia Institute's various committees and sub-committees and for monitoring actions required by the committees.

Vision

Metanoia Institute's Vision 2021 is to invest in the life of individuals, organisations and communities through excellence in training, practice and research in the psychological therapies.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Mission

Metanoia Institute's Mission is fourfold:

- ◆ to offer high quality humanistic and integrative programmes of study in the professional fields of counselling, psychotherapy, counselling psychology and supervision through the provision of a wide range of opportunities;
- ◆ to support research in the development of professional knowledge;
- ◆ to work closely with relevant professional bodies as well as our partners in the university sector;
- ◆ to provide lower cost counselling and psychotherapy services for the benefit of the general public.

Metanoia Institute's Strategic Aims support the pursuit of the Vision and Mission as follows:

- ◆ to offer teaching, training and lifelong learning of the highest quality;
- ◆ to provide students with a theoretical and practical framework on which to base a professional and ethical practice in their chosen area of work;
- ◆ to enhance the Institute's reputation for excellence in practice-based research and scholarship;
- ◆ to offer practitioner training within a supportive and inclusive environment;
- ◆ to provide accessible and effective educational and clinical services to the wider community;
- ◆ to develop a research active culture within each Faculty.

Strategic Aims

Metanoia Institute's decision to work towards Degree Awarding Powers (DAPs) is a collective reflection of the aspirations of our Board of Trustees, Executive, Administration, Support Staff and the Student Body. The strategic aim of the organisation is to consolidate the Institute's position in Higher Education by attaining DAPs, potentially leading to University Title.

Reasons for Seeking Degree Awarding Powers

Metanoia Institute is a mature institution, having been engaged in the development, delivery and assessment of higher education programmes since 1984.

Four of the Institute's programmes (MSc Gestalt Psychotherapy, MSc Integrative Psychotherapy, MSc Transactional Analysis Psychotherapy and BA (Hons) Person-Centred Counselling) having been in continuous delivery for more than twenty years, and the DPsych is currently recruiting its twenty first cohort.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Reasons for Seeking Degree Awarding Powers (continued)

Metanoia Institute is confident that it has the capacity to act as an autonomous academic community, to determine the awards that it offers, to set and maintain the academic standards of those awards and to assure and enhance the quality of the student experience in delivering those awards.

Management Structure

Metanoia Institute's Chief Executive Officer is appointed by, and responsible to the Board of Trustees for implementing the decisions of the Board of Trustees, for the day-to-day executive direction and management of the Institute and for the leadership of all staff.

The Chief Executive Officer line manages the Deputy Chief Executive Officer, the two Faculty Heads, Director of Finance, the Head of Policy, Planning and Compliance (the Executive Team) as well as the Facilities Manager and the Professional Bodies and Internal Academic Manager. With the addition of the Human Resources Manager, this group comprises the Institute's Senior Management Team.

Each Faculty Head has operational management responsibility for their Faculty, a specific portion of the academic portfolio, as well as line management responsibility, for a portion of the complement of academic staff, administration and support staff. Details of staff numbers are provided in note 3 of these financial statements.

Academic Provision

Metanoia Institute's provision is grouped into three distinct faculties:

- ◆ The Faculty of Psychotherapy & Counselling;
- ◆ The Faculty of Post-Qualification & Professional Doctorates and Research Strategy and Innovation.
- ◆ The Faculty of Applied Social and Organisational Sciences.

The **Faculty of Psychotherapy and Counselling** oversees the work of staff and students involved in eight 'core' programmes:

- ◆ Bachelor of Arts (Honours) Person-Centred Counselling;
- ◆ Bachelor of Science (Honours) Humanistic Counselling;
- ◆ Bachelor of Science (Honours) Reflective Therapeutic Practice;
- ◆ Master of Science Contemporary Person-Centred Psychotherapy and Applications;
- ◆ Master of Science Gestalt Psychotherapy;
- ◆ Master of Science Humanistic Psychotherapy;
- ◆ Master of Science Integrative Psychotherapy;
- ◆ Master of Science Transactional Analysis Psychotherapy.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

The **Faculty of Post-Qualification & Professional Doctorates** oversees the work of staff and students involved in the following four programmes as well as other Doctoral developments:

- ◆ The Doctorate in Psychotherapy by Professional Studies;
- ◆ The Doctorate in Psychotherapy by Public Works;
- ◆ The Doctorate in Counselling Psychology and Psychotherapy by Professional Studies;
- ◆ Doctor of Philosophy.

Research Strategy and Innovation oversees the work of staff and students involved in research across the Institute and with external partners in the following ways:

- ◆ Research Centre: faculty-wide research activities and events;
- ◆ Research projects with other universities and research partners;
- ◆ Research Clinic and the development of research practice;
- ◆ The Ealing Borough Consortium;
- ◆ Maximise Research and Research Income.

The **Faculty of Applied Social & Organisational Sciences** oversees the work of staff and students involved in the following programmes and counselling services:

- ◆ Master of Arts Therapeutic Fostering and Adoption;
- ◆ Master of Science Creative Writing for Therapeutic Purposes;
- ◆ Post Qualification Conversion Diploma from Adult to Adolescent and School Counselling;
- ◆ Post Qualification, IAPT licensing, Practitioner and Supervisor Training Counselling for Depression;
- ◆ Ethos Schools Based Humanistic Counselling Randomised Controlled Trial;
- ◆ The Metanoia Schools Counselling Service.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

In addition to the higher education provision listed above, Metanoia Institute continues to offer professional clinical diploma routes for those students who wish to register as practitioners but who do not seek an academic qualification. These programmes are taught alongside the award-bearing programmes and overseen by the Faculty of Applied Psychotherapy and Counselling:

- ◆ Diploma in Gestalt Psychotherapy;
- ◆ Diploma in Humanistic Counselling;
- ◆ Diploma in Humanistic Psychotherapy;
- ◆ Diploma in Integrative Psychotherapy;
- ◆ Diploma in Person-Centred Counselling;
- ◆ Diploma in Person-Centred Psychotherapy;
- ◆ Diploma in Transactional Analysis Counselling;
- ◆ Diploma in Transactional Analysis Psychotherapy.

Metanoia Institute offers a range of continuing professional development (CPD) courses (ranging from evening workshops to multi-day professional certificates) that are open to students, staff, alumni and independent practitioners.

The student population

Metanoia Institute's student population stood at 1203 in 2020/21 of whom 170 are enrolled on Doctoral programmes, 374 on taught post-graduate programmes, 156 on taught undergraduate programmes and 503 on professional programmes.

Metanoia Institute recruits both nationally and internationally, with 70% of the Institute's current students coming from the UK, 15% from within the EU and 6% from outside the EU. Within the UK, 30% came from London, 10% from the South-East and 8% from the remainder of the UK. Approximately 3% remain unknowns and 45% of UK domiciled students remain non-categorised, but we are working on improving our data capture.

Metanoia Institute's student body is both atypical and diverse, with a gender ratio of 78% female to 21% male (704:190) and an average age of 44 across all programmes. 12% of the Institute's students identify as belonging to the Lesbian, Gay, Bisexual, Transsexual Queer or Intersex (LGBTQI) community, 18% identify as coming from a black or minority ethnicity (BME) background and 10% have disclosed a specific disability.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Quality monitoring

Quality monitoring is undertaken via the following:

- ◆ Assessment Boards;
- ◆ Board of Studies;
- ◆ University Validation Bodies (MDX);
- ◆ Accreditation Boards (BPS, BACP, BAC, EAP, HCPC, UKCP);
- ◆ Quality Assurance Agency (QAA);
- ◆ University Annual Monitoring Reports;
- ◆ External Examiner Reports.

How our activities deliver public benefit

The Trustees have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on Public Benefit.

The Trustees and senior management team took account of the public benefit requirements whilst setting the strategic plan. The Trustees and senior management team believe that all of Metanoia Institute's objects are linked to the provision of public benefit.

Examples of public benefit with regard to our educational services include:

- ◆ The provision of a range of training courses in psychological therapy;
- ◆ The provision of a range of optional academic qualifications for students undertaking a first training in psychological therapy from BA (Hons) to Doctoral level;
- ◆ The provision of additional academic qualifications to practitioners qualified in psychological therapy;
- ◆ The provision of a range of workshops suitable for continuing professional development needs;
- ◆ The provision of increased public learning and knowledge about psychological therapy, as a result of research undertaken within the Metanoia Institute; and
- ◆ Counselling within Schools.

A key feature of the Institute's public benefit with regard to educational services is the provision of bursaries. The Trustees believe that students' learning is enhanced in a diverse community and Metanoia students come from a range of ethnic and economic backgrounds.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

How our activities deliver public benefit (continued)

Examples of public benefit with regard to clinical services include:

- ◆ The Metanoia Counselling and Psychotherapy Service (MCPS) provides accessible services to the local community. The growth of the Research Clinic within the Metanoia Counselling and Psychotherapy Service demonstrates the Institute's commitment to the provision of effective psychological therapies. Clients, together with their counsellor/psychotherapist, will complete a number of psychological testing measures on a regular basis which will then be analysed. Examples of measures to be used include Beck's depression inventory. Results of the research will be used to ensure the effectiveness of training and therefore services.
- ◆ The provision of a free assessment to ascertain whether a potential client is suitable for counselling/psychotherapy within MCPS. Previously clients were assessed by telephone, but since the introduction of face-to-face assessment sessions, greater numbers of clients have applied for assessment sessions.
- ◆ The provision of lower cost counselling and psychotherapy services to the general public. Fees are charged on a sliding scale dependent on the client's ability to pay. The minimum fee is £5 per session which is typically 10% of the fee charged by therapists in private practise.
- ◆ The provision of counselling for a period of up to six months. Access to counselling via the local Primary Care Trust is usually restricted to four, six or twelve sessions.
- ◆ The provision of a range of different approaches to counselling and psychotherapy to offer clients a choice of a preferred mode.

Achievements and performance

The principal activity is the provision of training courses in counselling, psychotherapy and counselling psychology and other associated therapies. The Institute also runs a lower cost clinic service. There has been no change in the policies adopted by the Institute to achieve its objectives.

The training is provided using the services, on a part time basis, of qualified trainers in counselling, psychotherapy and counselling psychology. Many students are qualified professionals in the healthcare field. The courses are run on a part-time basis, normally at weekends and lead to a qualification after three or more years. New funding for research via counselling in schools activity also contributed to an increase in income.

Metanoia Institute continued to invest in its rolling programme of repairs and replacements, ensuring that student facilities are maintained to the highest standards.

Premises

Metanoia Institute fully owns its two properties at North Common Road and Gunnersbury Avenue, which were recently valued at approximately £6,000,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Fundraising

The Institute does not solicit donations and is not registered with the Funding Regulator. If a donation is received from an individual, the Institute applies GDPR rules. There have been no complaints received in the year in respect of fundraising.

Trustees Report COVID-19 Response

Activities affected by virus control measures

The Institute responded pro-actively to the control measures required for COVID-19 with the following measures put in place:

- ◆ Knowing that we would not be able to teach face to face, we moved our teaching to live on-line training.
- ◆ All our employees worked from home. We provided those that required equipment with the necessary technology.
- ◆ All scheduled meetings took place on-line. These included internal Board of Trustees, Committee, Executive and Team meetings. Meetings also took place with external organisations on-line.

Both staff and students responded well to our new way of working.

We continued to invest in technology for our staff to work from home, but this has been at a cost of £5,385 (2020: £8,202) All off the technology purchased will be returned to the organisation when staff can return to work.

FUTURE PLANS

Similar to other higher education institutions, we are faced with the complex task of ensuring that our students receive the best possible training experience, whilst taking all appropriate measures to prevent the continued transmission of the COVID-19 virus in the community. We will be returning to face-to-face teaching from September 2021, as is expected of all Universities. However, we will still have plans in place for a dual delivery approach should they be required.

A Metanoia Institute 'dual delivery' model, guided by two equal principles:

- ◆ Safety and wellbeing of the entire Metanoia Institute community
- ◆ Provision of learning and teaching excellence on all programmes

The dual delivery approach will take a 'best of both worlds' position. Some learning opportunities will be offered to all students in a face-to-face format, with a spine of online teaching taking place via Zoom and through enhanced online activities. The dual delivery approach allows for flexibility in terms of respecting student choice, plus the potential for agility in the light of changing circumstances.

FUTURE PLANS (continued)

It will provide sufficient face-to-face teaching opportunities to ensure the continuity of the fundamentals of Metanoia Institute training; those being teaching which fosters relational learning and requires interpersonal, experiential opportunities. However, high-quality teaching and learning will also be offered online, producing a blended offer.

Operational arrangements:

As we are unable to comply fully with social distancing measures at our own premises, should they be reintroduced we have rented space at Middlesex University. This will allow us to comply with social distance measures when providing face to face learning.

To function within the principle of safety and wellbeing in our dual delivery model, the following operational measures will apply:

- ◆ When on premises, full safety precautions and resources will be mandatory (hand sanitiser, social distancing, self-reporting of symptoms, etc).
- ◆ All staff and students will need to provide personal contact details to enable 'track-and-trace' to operate.
- ◆ Students and staff should only attend on premises if they are feeling well and all those in their immediate household are well.
- ◆ Any person attending a teaching event on premises must leave immediately if they experience any symptoms of being unwell or related to COVID-19 (raised temperature, sore throat, cough, loss of sense of taste/smell).
- ◆ Students must inform their tutor / Academic Co-ordinator of their intention to either attend in person or study remotely, ideally no less than 24 hours prior to the timetabled teaching event.

These operational arrangements demonstrate to students and staff that we are fully guided by the principle of safety and wellbeing.

In the event of any local or national lock down we will revert to on-line teaching and students and staff have been made aware of this.

Phased Return to Work

For the new academic year we have implemented a phased return to work. Rotas, and flexible hours including staggered start and end times have been introduced. This will allow us to test health and safety measures in practice and ensure we can work with larger numbers before encouraging more of our workforce back. We would return to home working should restrictions be reintroduced.

FINANCIAL REVIEW

Financial performance

The incoming resources for the year amounted to £5,422,274, (2020: £4,461,830). This represents an increase of £960,443 on the previous year. We received a higher contract amount from Health Education England. In addition, we delivered significantly more Counselling for Depression provision than in the prior year.

Expenditure for the year amounted to £4,867,640 (2020: £4,312,678), an increase of £554,962. This increase in expenditure was mainly attributable to increased investment in professional staff.

As a result of the above, net income for the year was £554,634 (2020: £149,152).

Reserves policy and going concern

The Trustees define free reserves in accordance with Charity Commission guidelines in that they are generally unrestricted funds less tangible fixed assets, net of any related loans and excluding designated funds.

The Trustees have reviewed the Institute's reserves policy and have decided to set reserves at the equivalent of three months operating expenses, which approximates to £1,100,000 (2020: £950,000).

At 31 August 2021, free reserves amounted to £2,358,544 (2020: £1,749,268) which is above the target. Future plans include significant capital investment within the next two years and reserves are being held above target to achieve this plan. Restricted funds were received within year, the balance of these was £nil at year end.

Trustees have agreed to review the level of reserves annually to ensure the appropriateness of the agreed level of reserves and any action required to adjust funds held in reserves.

We have incorporated £37,000 within the 2021/22 budget to pay for the hire of room rental at another organisation should we require the need for social distancing measures as we are limited to amount of face to face teaching we can carry out within our own premises.

After making appropriate enquiries, including student enrolment numbers for 2021/22 academic year the Board of Trustees considers that the organisation has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The risk we face is if social distancing is reinstated and whether our students or prospective students are content with being taught through a mixture of blended learning. To mitigate risks we have incorporated a section within the Student Contracts informing them that we will adhere to Government Guidelines in the event that restrictions are reintroduced and will revert to live on-line teaching should another lockdown be implemented.

FINANCIAL REVIEW (continued)

We do not have a pension liability. We do have funds invested within a high street bank. Interest rates have decreased, and we have adjusted the forecast interest accordingly, but the decrease was minimal.

RISK MANAGEMENT

The Trustees have formally re-assessed and reviewed the major risks to which the Institute is exposed to. Particular attention has been paid to the risks associated with the economic climate. The effectiveness of control systems in mitigating the Institute's exposure to these risks have also been assessed. The key risks to the Institute, and measures to mitigate these risks, are listed below:

- ◆ Student numbers – The Institute mitigates the risk of not achieving the desired number of students by planning in advance, particularly as part of the budget process, and ensuring continued retention of students.
- ◆ Reputation – The Institute maintains quality and standards and ensures compliance in all areas, whilst also ensuring student involvement and engagement.
- ◆ Technology – The Institute ensures systems are up to date, encrypted and appropriate for business purposes and processes.

Risk assessment continues to be an ongoing process at the Institute.

Trustees' Report approved by the Trustees on 23 November 2021
and signed on their behalf by:



Professor Ronald Parker

Chairman

Statement of Corporate Governance and Internal Control Year to 31 August 2021

The following statement is provided to enable readers of the annual report and financial statements of Metanoia Institute to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2020 to 31 August 2021 and up to the date of the approval of the annual report and financial statements.

Metanoia Institute endeavours to conduct its business;

1. Having due regard to the UK Corporate Governance Code in so far as it is applicable to the Higher Education Sector.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Board of Trustees recognises that as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

Legal Status

The Metanoia Institute is a Registered Charity and a Private Limited Company by guarantee without share capital use of limited exemption.

The Board of Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

The Board of Trustees

The members who served on the Board of Trustees during the year and up to the date of signature of this report are listed below. The next AGM is due to take place in February 2022.

Name	Category of Membership	Date First Appointed	Expiry of Term of Office*	Date of Reappointment/Retirement	Attendance 1/9/20-31/8/21
Professor Ronald Parker	Chair	20/11/2000	20/11/2023	Reappointed: 26/11/2019	4 of 4
Jeffrey White	Vice-Chair, Trustee	29/04/2008	29/04/2020	Needs to be reappointed at next AGM	4 of 4
Jerry Arnett	Trustee	29/04/2014	29/04/2023	Reappointed: 05/02/2019	4 of 4
Helen Coleman	Trustee	26/11/2019	26/11/2023	N/A	3 of 4
Kelvin Jones	Trustee	26/11/2019	26/11/2023	N/A	4 of 4
Dotun Olaleye	Trustee	10/05/2016	10/05/2020	Needs to be reappointed at next AGM	3 of 4
In Attendance:					
Professor Sheila Owen-Jones	Chief Executive Officer	N/A	N/A	N/A	N/A
Professor Carrie Weston	Deputy Chief Executive Officer	N/A	N/A	N/A	N/A
Anita Faherty	Finance Director	N/A	N/A	N/A	N/A
Douglas Bertram	Secretary	N/A	N/A	N/A	N/A
Najaba Riaz	Secretary	N/A	N/A	N/A	N/A

Statement of Corporate Governance and Internal Control Year to 31 August 2021

Audit and Risk Committee		
Name	Category of Membership	Term
TBC	Chair	3 years
Helen Coleman	Trustee	3 years
Kelvin Jones	Trustee	3 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Professor Carrie Weston	Deputy Chief Executive Officer	N/A
Anita Faherty	Finance Director	N/A
Najaba Riaz	Secretary	N/A

The Audit and Risk Committee was formed in May 2020, a Chair of the Committee is due to be appointed.

Finance Committee		
Name	Category of Membership	Term
Jerry Arnott	Chair	4 years
Dotun Olaleye	Trustee	4 years
Jeffrey White	Trustee	4 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Anita Faherty	Finance Director	N/A
Douglas Bertram	Secretary	N/A
Najaba Riaz	Secretary	

Staffing and Remuneration Committee		
Name	Category of Membership	Term
Helen Coleman	Chair	4 years
Jerry Arnott	Trustee	4 years
Jeffrey White	Trustee	4 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Toyin Allen	Head of Human Resources	N/A
Douglas Bertram	Secretary	N/A
Najaba Riaz	Secretary	N/A

Board of Trustees' interests

The Board of Trustees are shown above and except for any instance mentioned above have served throughout the year. None of the Board of Trustees have any interests within the company.

The Secretary to the Board of Trustees maintains a register of financial and personal interest of the members of the Board of Trustees and senior post holders. This can be obtained by contacting naj.riaz@metanoia.ac.uk

Statement of trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 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 the Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Statement of trustees' responsibilities (continued)

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. 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.

Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the organisation together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Board of Trustees met 4 times in 2020/21.

The Board of Trustees receives advice on the conduct of its business from three committees. Each committee has its own terms of reference which have been approved by the Board of Trustees. These committees are, Finance, Staffing and Audit and Risk. The Audit and Risk Committee was formed in May 2020, a Chair is due to be appointed.

Metanoia Institute has a strong and independent non-executive element and no individual or group dominates its decision-making process. The organisation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman and Accounting Officer are separate.

Full minutes of all meetings, except those deemed to be confidential by the Board of Trustees, are published on the organisation website.

Appointment to the Board of Trustees

Appointment to the Board of Trustees are matters for consideration of the Board of Trustees as a whole.

Board of Trustees Performance

The Board of Trustees have made a strong contribution to the improvements made in 2020/21 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Board meetings. The Board of Trustees provide robust scrutiny and challenge. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Board business. An independent review of the Board performance was carried out during 2020/21.

Committees

Audit and Risk Committee

The Audit and Risk Sub-Committee is responsible to the Board of Trustees in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors. The Committee was formed in May 2020, a Chair is due to be appointed. The Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

Finance Committee

The Finance Committee oversees Metanoia Institute's financial reporting process, including the internal control structure and procedures for financial reporting and monitoring the integrity and appropriateness of the financial statements. The Committee monitors and reviews projected levels of income and expenditure across each Faculty and the whole Institute. It ensures an effective framework is in place to review performance against budget and to recommend improvements to accounting policies, systems, and procedures.

Staffing and Remuneration Committee

The Staffing Committee oversees and supports policies and practices in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation. The Committee also report on Health and Safety issues. Terms of Reference of the Committees can be found on our website.

Internal Control

Scope of responsibility

The Board of Trustees is ultimately responsible for the organisations system of internal control and for reviewing its effectiveness. However, 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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there was a formal on-going process for identifying, evaluating and managing the

Institutes significant risks that had been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Trustees
- ◆ regular reviews by the Board of Trustees of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

Review of effectiveness

As the Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive Officer review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The senior management team and the Audit and Risk Committees also receive regular reports, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Trustees agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2021 meeting, the Board of Trustees, carried out the annual assessment for the year ended 31 August 2021 by considering documentation from the senior management team, and taking account of events since 31 August 2020.

Based on above and reports by the Chief Executive Officer, the Board of Trustees is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2021 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

Regularity, propriety, and compliance

The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Board of Trustees believes it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

Statement of Corporate Governance and Internal Control Year to 31 August 2021

Going Concern

Details on Board's going concern assessment are set out on pages 31 and 32.

Approved by order of the Board of Trustees and signed on its behalf by:



Chair
Professor Ronald Parker



Chief Executive Officer
Sheila Owen-Jones

23 November 2021

Independent auditor's report to the members of The Metanoia Institute

Opinion

We have audited the financial statements of The Metanoia Institute (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, 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' 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
- ◆ the financial statements are not in agreement with the accounting records; 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the

United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011), Companies Act 2006, those that relate to data protection (General Data Protection Regulation), certain conditions of OfS registration including compliance with the OfS' latest Accounts Direction; and

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- used data analytics to investigate the rationale behind any significant or unusual transactions;
- tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charitable company's financial procedures; and
- Performed substantive testing over fee income to gain assurance that the income recognised was materially complete.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Independent auditor's report Year to 31 August 2021

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.



Shachi Blakemore, Senior Statutory Auditor
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16 December 2021

Statement of financial activities (including income and expenditure statement Year to 31 August 2021
(which includes statement of changes in reserves)

		Restricted 2021 £	Unrestricted 2021 £	Total 2021 £	Total 2020 £
Income from:					
Investments		—	6,274	6,274	14,520
Other		—	—	—	360
Charitable Activities					
.-From Educational Services		17,134	5,150,924	5,168,058	4,203,774
. From Clinical Services		87,493	160,449	247,942	243,176
Total Income	1	104,627	5,317,647	5,422,274	4,461,830
Expenditure					
Charitable Activities					
. Educational Services		17,134	4,269,509	4,286,643	3,836,677
. Clinical Services		87,493	493,504	580,997	476,001
Total Expenditure	5	104,627	4,763,013	4,867,640	4,312,678
Statement of changes in reserves:					
Net income and net movement for the year	2	—	554,634	554,634	149,152
Reconciliation in Funds					
Total Funds brought forward 1 September		—	4,291,781	4,291,781	4,142,629
Total Funds carried forward 31 August		—	4,846,415	4,846,415	4,291,781

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 34 to 41 form part of these financial statements.

Balance sheet 31 August 2021

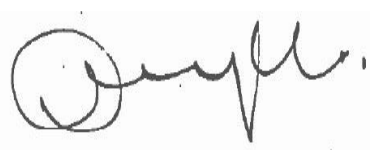
	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	6		2,329,763		2,384,412
Current assets					
Debtors	7	196,161		262,247	
Cash at bank and in hand		2,413,708		1,582,807	
Short-term deposits		1,526,582		1,520,489	
		4,136,451		3,365,543	
Creditors: amounts falling due within one year	8	(1,619,799)		(1,458,173)	
Net current assets			2,516,652		1,907,369
Total net assets			4,846,415		4,291,781
The funds of the charity:					
Unrestricted funds:					
. Fixed assets fund	11		2,329,763		2,384,412
. Designated funds	11		158,102		158,102
. General funds	11		2,358,550		1,749,267
Restricted funds	11		—		—
			4,846,415		4,291,781

Approved by the Trustees and authorised and signed on their behalf by:



Chair of Trustees

Professor Richard Parker



Accountable Officer

Sheila Owen-Jones

Date: 23 November 2021

The notes on pages 34 to 41 form part of these financial statements

The Metanoia Institute

Company Registration Number 02918520 (England and Wales)

Statement of cash flows 31 August 2021

	Notes	2021 £	2020 £
Cash inflow from operating activities:			
Net cash provided by operating activities	A	837,128	147,350
Cash outflow from investing activities:			
Interest from investments		6,274	14,520
Purchase of tangible fixed assets		(6,408)	(13,666)
Net cash (used in) provided by investing activities		(134)	854
Change in cash and cash equivalents in the year		836,994	148,204
Cash and cash equivalents at 1 September	B	3,103,296	2,955,092
Cash and cash equivalents at 31 August	B	3,940,290	3,103,296

Notes to the statement of cash flows for the year to 31 August:

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

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	554,634	149,152
Adjustments for:		
Depreciation charge	61,057	87,267
Interest from investments	(6,274)	(14,520)
Decrease (increase) in debtors	66,085	(81,973)
Increase in creditors	161,626	7,424
Net cash provided by operating activities	837,128	147,350

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,413,708	1,582,807
Short-term deposits	1,526,582	1,520,489
Total cash and cash equivalents	3,940,290	3,103,296

The Institute held no net debt as at 31 August 2021 or 31 August 2020.

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2021 and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Office for Students' latest Accounts Direction.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ the allocation of support costs to charitable activities.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the Institute's activities, beneficiaries, funders, suppliers and the wider economy.'

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and in making their assessment have given consideration to the effects of the pandemic on the organisation and its operations.'

Assessment of going concern (continued)

The Board of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Board are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The more significant areas of judgement that affect items in the financial statements are detailed above.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year would be disclosed as short term deposits. Cash placed on deposit for more than one year would be disclosed as a fixed asset investment.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt.

Financial instruments

The organisation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are used for specific purposes as agreed by the Trustees. Expenditure which meets these criteria is charged to the funds.

Restricted funds are used for specific purposes as stated by the Awarding Body. Expenditure which meet these criteria is charged to the fund.

Income

Income includes course fees, clinic charges, grants and investment income. Income is recognised in the year in which the charity is entitled to receipt, it is probable the charity will receive the income and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled or where the funder has specified that the income is to be expended in a future accounting period.

Expenditure

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Direct costs comprise direct costs incurred in carrying out the charitable activities of the organisation including direct staff costs and directly attributable running costs.

Expenditure which cannot be directly attributed to the relevant department is apportioned on the best estimates of each department's usage. Support costs are apportioned on the basis of time spent. Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the statement of financial activities.

Governance costs are costs associated with governing the charity including strategic planning and compliance with constitutional and statutory requirements. They are included in charitable activities within support costs and allocated to charitable activities on the basis of time spent.

Fixed assets

Fixed assets costing £2,000 or more are capitalised at cost.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

♦ Freehold land	Not depreciated
♦ Freehold buildings	2% to 10% straight line
♦ Furniture, fixture and equipment	10% to 33.3% straight line

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1 Grant and fee income

	2021 £	2020 £
Grant income from the OfS*	54,057	34,647
Grant income from other bodies*	116,944	129,220
Fee income for taught awards	2,656,544	2,468,997
Fee income from non-qualifying courses	1,934,933	1,467,505
Clinic Client Income	130,998	113,957
School Based Research Income	476,538	194,830
Other Income	52,260	52,674
Total grant and fee income	5,422,274	4,461,830

2 Net movement in funds

The net movement in funds is stated after charging:

	2021 £	2020 £
Depreciation	61,057	87,266
Auditor's remuneration – statutory audit	12,000	11,880
Auditor's remuneration – other services	—	2,150
Operating lease costs	10,464	10,464

3 Staff costs and remuneration of key management personnel

Full time equivalent employees in the year:

	2021 No.	2020 No.
Educational services	39	21
Clinical services	10	9
Administration and support	29	27
	78	57

Actual employees in the year:

	2021 No.	2020 No.
Educational services	117	94
Clinical services	12	11
Administration and support	34	32
	163	137

3 Staff costs and remuneration of key management personnel (continued)

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	2,717,611	1,976,203
Social security costs	278,611	252,328
Pension costs	50,193	35,853
	3,046,415	2,264,348
Restructuring Costs	—	39,092
Trainers' fees	708,800	941,366
	3,755,215	3,244,842

There were no Staff restructuring costs in the year (2020: £39,092 relating to one person).

The Institute has given regard to the "Guidance on decisions taken about severance payments in HEI's" published by the Committee of University Chairs when determining severance pay.

Employees earning greater than £60,000 during the year on an annualised basis:

	2021 No.	2020 No.
£60,000 - £65,000	3	—
£75,001 - £80,000	—	1
£80,001 - £85,000	1	2
£85,001 - £90,000	1	—
£100,000 - £105,000	—	1
£110,001 - £115,000	1	—
£125,001 - £130,000	—	1
£130,001 - £135,000	1	1
	7	6

Pension contributions in respect of these employees were £6,874 (2020: £10,052).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the Chief Executive Officer (CEO), the Deputy Chief Executive Officer, two Faculty Heads, a third to be appointed (2020: four), the Director of Finance and the Head of Policy, Planning and Compliance. The total remuneration (including taxable benefits and employers' pension contributions) of the key management personnel for the year was £555,812 (2020: £777,800). The reduction is due to four Faculty Heads being employed in 2020 and only two employed in 2021.

The Academic Director for Faculty one is not part of the Senior Management Team. Their salary details have not been included within the key management personnel details, but they have been included within the number of Employees earning greater than £60,000 during the year.

3 Staff costs and remuneration of key management personnel (continued)

Chief Executive Officer Remuneration

	2021 £	2020 £
Basic salary	131,250	131,682
Bonus	500	500
Pension contribution	—	—
	131,750	132,182

The Chief Executive Officer's remuneration shown in the year was recommended by the Staff and Remuneration Sub-Committee (SARSC). SARSC determines the salaries and conditions of service of all senior staff, including the Chief Executive Officer and the Executive Team. SARSC forwards their deliberations to the Finance, Audit and Risk Committee (FARSC) who assessed the economic and financial good standing of the Institute, projected future student growth, and academic success. FARSC presents their recommendations to the full Board of Trustees for approval.

Chief Executive's basic salary as a multiple of the median of all staff	2.19 (2020: 2.19)
Chief Executive's total remuneration as a multiple of the median of all staff	2.19 (2020: 2.19)

Trustees were not paid any remuneration, only expenses were reimbursed (see note 4 for details).

4 Trustees' remuneration and reimbursed expenses

No trustee received reimbursement of travel expenses in the year (2020: one received £421). None received remuneration for their services or benefits in either the current or prior year.

The Institute paid £1,892 (2020: £1,726) in relation to trustee indemnity insurance during the year.

5 Analysis of total resources expended

	Staff costs (note 3) £	Other £	Depreciation £	Total 2021 £
Charitable expenditure				
Educational services	3,305,578	920,008	61,057	4,286,643
Clinical services	449,637	131,360	—	580,997
	3,755,215	1,051,368	61,057	4,867,640

5 Analysis of total resources expended (continued)

	Staff costs (note 3) £	Other £	Depreciation £	Total 2020 £
Charitable expenditure				
Educational services	2,911,138	838,271	87,267	3,836,676
Clinical services	333,704	142,298	—	476,002
	<u>3,244,842</u>	<u>980,569</u>	<u>87,267</u>	<u>4,312,678</u>

5a

	Direct costs £	Support costs (note 5b) £	Total 2021 £
Charitable expenditure			
Educational services	3,606,562	680,081	4,286,643
Clinical services	354,303	226,694	580,997
	<u>3,960,865</u>	<u>906,775</u>	<u>4,867,640</u>

	Direct costs £	Support costs (note 5b) £	Total 2020 £
Charitable expenditure			
Educational services	3,194,879	641,797	3,836,676
Clinical services	263,121	212,881	476,002
	<u>3,458,000</u>	<u>854,678</u>	<u>4,312,678</u>

5b Analysis of support costs

	Total 2021 £	Total 2020 £
Support services		
Rent and rates	17,534	16,999
Heat, light and power	16,512	16,818
Travel and expenses	2,053	10,062
Printing and stationery	40,460	33,095
Property maintenance	48,470	52,386
Other staff costs	13,386	20,261
Validated program costs	380,920	313,298
Library books and journals	31,707	32,685
Computer software	96,524	89,638
Consultancy fees	12,201	19,827
Legal and professional fees	51,031	48,558
QAA registrations	45,027	30,419
General expenses	150,950	170,632
	<u>906,775</u>	<u>854,678</u>

6 Tangible fixed assets

	Freehold land and buildings £	Furniture, fixtures and equipment £	Total 2020 £
Cost			
At 1 September 2020	2,919,369	193,599	3,112,968
Additions	—	6,408	6,408
Disposals	—	(6,975)	(6,975)
At 31 August 2021	<u>2,919,369</u>	<u>193,032</u>	<u>3,112,401</u>
Accumulated depreciation			
At 1 September 2020	625,020	103,536	728,556
Charge for the year	37,061	23,996	61,057
Disposals	—	(6,975)	(6,975)
At 31 August 2021	<u>662,081</u>	<u>120,557</u>	<u>782,638</u>
Net book values			
At 31 August 2021	<u>2,257,288</u>	<u>72,475</u>	<u>2,329,763</u>
At 31 August 2020	<u>2,294,349</u>	<u>90,063</u>	<u>2,384,412</u>

7 Debtors

	2021 £	2020 £
Fee debtors	78,874	167,651
Prepayments and accrued income	117,287	94,596
	<u>196,161</u>	<u>262,247</u>

There were £4,985 fee debtors which relate to courses straddling two academic years (2020: £nil).

8 Creditors: Amounts falling due within one year

	2021 £	2020 £
Deferred income	1,416,749	1,255,733
Trade creditors	23,877	28,956
Other taxes and social security costs	87,295	107,363
Accruals	91,878	66,121
	<u>1,619,799</u>	<u>1,458,173</u>

Deferred income relates to fee and training income received in advance for the following academic year, as well as restricted funding intended for carrying out specific research in the following financial year. The movement on the deferred income balance was as follows:

	2021 £	2020 £
Balance as at 1 September	1,255,733	1,112,008
Amount released to income	(1,255,733)	(1,112,008)
Amount deferred in year	1,416,749	1,255,733
Balance as at 31 August	<u>1,416,749</u>	<u>1,255,733</u>

9 Members' liability

The Metanoia Institute is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability is limited to £1 per member.

10 Operating leases

The charity had total future minimum commitments in respect to non-cancellable operating leases at 31 August as follows:

Equipment	2021 £	2020 £
Within one year	10,464	10,464
In two to five years	10,464	20,928
	20,928	31,392

11 Movement in funds

	At 1 September 2020 £	Incoming resources £	Resources expended £	Transfers £	Total 2021 £
Unrestricted					
General	1,749,267	5,260,279	(4,644,588)	(6,408)	2,358,550
Designated					
. Bursary	—	57,368	(57,368)	—	—
. Redevelopment fund	158,102	—	—	—	158,102
. Fixed assets fund	2,384,412	—	(61,057)	6,408	2,329,763
Total Unrestricted	4,291,781	5,317,647	(4,763,013))	—	4,846,415
Restricted					
AMORAY	—	35,220	(35,220)	—	—
HEROINES	—	9,966	(9,966)	—	—
TARCT	—	33,496	(33,496)	—	—
UKPC Research Award	—	8,811	(8,811)	—	—
OfS Hardship Funds	—	4,523	(4,523)	—	—
OfS Capital Grant	—	12,611	(12,611)	—	—
Total Restricted	—	104,627	(104,627)	—	—
	4,291,781	5,422,274	(4,867,640)	—	4,846,415

Designated funds relate to:

- ◆ The bursary fund represents funds set aside for the purpose of providing bursaries.
- ◆ The redevelopment fund represents a legacy by Nina Joy Miller and are funds set aside for future academic and structural redevelopment of the Institute.
- ◆ The fixed asset fund represents the net book value of the Institute's tangible fixed assets.

11 Movement in funds (continued)

Restricted funds relate to:

- ♦ Assessment of Mental Health of Refugees and Asylum Seekers by Youth Workers (AMORAY) is a grant awarded by Erasmus +. We work in partnership with four organisations.
- ♦ HEROINES is a grant awarded by Erasmus +. Its focus is the empowerment of women with mental illness living in rural areas through writing therapy.
- ♦ European Association for Transactional Analysis (TARCT) is a grant awarded for Reviewing and validating the scientific foundations of Transactional Analysis practice and research.
- ♦ UKPC Research Award grant was awarded to research what support therapists need to do research and a review of studies into how therapists experience research.
- ♦ OfS Hardship funds were funds allocated by the Office for Students due to COVID 19. The funds could be allocated to students for varying reasons. We allocated funds for internet connection due to teaching on-line. OfS Capital funds were funds allocated by the Officer for Students for capital expenditure.

	At 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Total 2020 £
Unrestricted					
General	1,526,514	4,333,140	(4,096,721)	(13,666)	1,749,267
Designated					
. Bursary	—	29,138	(29,138)	—	—
. Redevelopment fund	158,102	—	—	—	158,102
. Fixed assets fund	2,458,013	—	(87,267)	13,666	2,384,412
Total Unrestricted	4,142,629	4,362,278	(4,213,126)	—	4,291,781
Restricted					
AMORAY	—	71,440	(71,440)	—	—
HEROINES	—	6,769	(6,769)	—	—
TARCT	—	21,343	(21,343)	—	—
Total Restricted	—	99,552	(99,552)	—	—
	4,142,629	4,461,830	(4,312,678)	—	4,291,781

12 Related Party Transactions

Other than those disclosed in note 4 to the accounts the Institute did not conduct any related party transactions in the year.

13 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2021 £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	2,329,763	—	2,329,763
Current assets	3,928,802	158,102	49,547	4,136,451
Creditors: amounts falling due within one year	(1,570,252)	—	(49,547)	(1,619,799)
Total net assets	2,358,550	2,487,865	—	4,846,415
	General fund £	Designated funds £	Restricted funds £	Total 2020 £
<i>Fund balances at 31 August 2020 are represented by:</i>				
<i>Tangible fixed assets</i>	—	2,384,412	—	<i>2,384,412</i>
<i>Current assets</i>	3,207,441	158,102	—	<i>3,365,543</i>
<i>Creditors: amounts falling due within one year</i>	(1,458,173)	—	—	<i>(1,458,173)</i>
<i>Total net assets</i>	<i>1,749,268</i>	<i>2,542,513</i>	<i>—</i>	<i>4,291,781</i>

Detailed expenditure account 31 August 2021

This page does not form part of the financial statements

	2021 £	2021 £	2020 £	2020 £
Expenditure				
Educational services:				
Salaries and wages	2,314,500		1,712,989	
Trainers' fees	685,501		932,301	
National Insurance	240,669		226,611	
Pension costs	42,609		31,371	
Staff recruitment and training	17,950		22,442	
External examiners fees	68,629		34,943	
Bursaries	57,368		29,137	
Validation fees	377,947		313,298	
Conference and courses	—		500	
Premises and maintenance	77,651		81,090	
Printing and stationery	43,401		68,211	
Depreciation	61,057		87,267	
Travel and subsistence	5,631		12,046	
Consultancy	12,201		19,827	
Library books and journals	31,707		40,669	
Rent and room hire	503		7,695	
Computer software	96,524		93,316	
Sundry	13,569		9,477	
Catering	682		5,008	
Legal and professional	26,548		20,451	
QAA/OfS registrations	45,026		30,418	
Advertising and marketing	3,699		11,267	
Committee costs	15,967		2,871	
Indemnity insurance	1,893		1,727	
Bad debts written off	1,935		3,156	
Auditor's remuneration	12,000		11,880	
Bank charges	31,496		26,709	
	4,286,643		3,836,677	
Clinical services:				
Salaries and wages	403,111		302,306	
Trainers' fees	23,300		9,065	
National Insurance	37,942		25,717	
Pension costs	8,584		5,681	
Research partner fees	28,500		58,467	
Establishment costs	40,409		39,067	
Compliance (DBS) checks	7,280		4,093	
Sundry	29		139	
Computer support costs	31,551		29,218	
Conferences and courses	291		1,018	
Travel and subsistence	—		1,230	
		580,997		476,001
Total resources expended		4,867,640		4,312,678

The Trustees
The Metanoia Institute
13 North Common Road
Ealing
London
W5 2QB

16 December 2021

Our ref M0234/SB/DW

Ladies and Gentlemen

Post-Audit Report – Year ended 31 August 2021

The purpose of this letter is to bring to your attention the findings from our recent audit of the financial statements of The Metanoia Institute for the year ended 31 August 2021. We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

1. Purpose of the audit

Our work during the audit was performed with a view to expressing an opinion on the financial statements for the year ended 31 August 2021 and other matters required by legislation.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your system of internal control.

The matters being reported are limited to those that were identified during the audit and that we conclude are of sufficient importance to merit being reported to those charged with governance.

2. Audit progress

We are pleased to report that the audit of the financial statements, from our perspective, went well and in accordance with the agreed timetable, despite being conducted remotely.

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Sheila Owen-Jones, Anita Faherty, Helen Senay and Nadia Khan.

3. Annual report and financial statements' format

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102), as well as the latest Accounts Direction published by the Office for Students, which was the same version of the guidance which applied to the 2019/20 accounts and hence has not necessitated any new disclosure this year.

The format of the statement of financial activities, and the income, expenditure and funds notes to the financial statements have been updated for the year ended 31 August 2021 to show restricted and unrestricted activity separately. This is because restricted income and expenditure is considered material to the Institute's financial statements.

Aside from this and the changes to our auditor's report detailed in point 4 below, there are no other significant changes to the format of the financial statements this year.

4. Auditor's report

We do not propose any modifications to our audit opinion and, therefore, we intend to issue an unqualified opinion in our auditor's report. Following recent changes to the International Standards on Auditing (UK), our auditor's report has been updated to include:

- an explanation as to what extent our audit was considered capable of detecting irregularities, including fraud; and
- revised wording for our conclusion relating to the trustees' use of the going concern basis of accounting and the identification of any material uncertainties that may cast significant doubt on the Institute's ability to continue as a going concern.

5. Adjustments made during the audit

Other than presentational amendments which had no impact on the reported results for the year, there were no adjustments made to the figures presented to us for audit.

6. Unadjusted misstatements

We are pleased to report that we found only clearly trivial misstatements during our audit for the period.

7. Accounting policies, accounting estimates and disclosures

The accounting policies used in preparing the financial statements are unchanged from the previous year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the Institute. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the Institute.

We have no specific observations to make in this regard.

8. Letter of representation

We enclose the final draft letter of representation which we will request management and the trustees to approve and sign at the same time as the financial statements.

9. Prior year's post audit-report

There were no issues raised last year which required follow-up in the current year.

10. Significant deficiencies in the accounting and internal control systems

Our work during the audit included an examination of some of the Institute's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 August 2021. We found no significant deficiencies in the accounting and internal control systems during our audit.

11. Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

12. Current developments

We have attached a summary of recent and ongoing developments in the Not-for-Profit and specifically the Higher Education sector in an appendix to this report.

Due to the rapidly evolving impacts of the crisis, including Government responses, we encourage you to refer to our Covid-19 information page (<https://www.buzzacott.co.uk/news/responding-to-the-impact-of-covid-19>) for latest news. When visiting this page you will also be presented with an opportunity to manage the updates you receive from Buzzacott should you wish.

13. Updates, insights and seminars

As part of our commitment to the Institute sector, during the year the Charity and Not-for-Profit Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of the Institute to our seminars or to add trustees and management to our email distribution lists if this would be welcome.

Conclusion

This report has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. The advice contained herein is based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this report. Should the facts provided to us be incorrect or incomplete or should they change, our advice may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this report.

If you require any further information or assistance, we shall be very pleased to help you.

We would be pleased to receive your comments and reaction to this letter.

Yours faithfully

A handwritten signature in dark ink, appearing to read "Buzzacott LLP", is written in a cursive style.

Appendix – Current Sector Developments

GENERAL CHARITY UPDATES

Charity Governance Code – what has changed?

The Charity Governance code is a simple tool for charity trustee boards to ensure their governance structures are fit for purpose. It sets out seven principles of good governance for charities of all shapes and sizes in England and Wales. A consultation on refreshing the Charity Governance Code was launched by its “steering group”, made up of ACEVO, the Association of Chairs, the Chartered Governance Institute, NCVO, SCC and WCVA, in November 2019 and came to an end on 28 February 2020.

Following the consultation, the steering group have refined two of the seven principles: the Equality, Diversity and Inclusion (EDI) Principle and the Integrity Principle.

The steering group believe that great EDI practice sits at the heart of good governance, and that in order to effectively deliver their public benefit, boards must focus on achieving equality of outcomes carrying out their charitable purpose. To make better and more informed decisions, boards must be diverse. Societal power imbalances must be prevented from playing out in the boardroom. In addition to this, the steering group believe EDI has the power to create social justice, in boardrooms, organisations, across the charity sector as a whole and ultimately throughout society.

It is recognised that all charities are at different stages in their ongoing diversity journey. Four stages of recommended practice for charities have been set out. Boards should:

- Think about why EDI is important for their charity and assess the current level of understanding.
- Set out plans and targets tailored to each charity and its starting point.
- Monitor and measure how well a charity is doing, based on context specific goals set by the charity.
- Be transparent and publish the charity’s progress.

Alongside EDI, the Code’s Integrity principle has been updated. In the last couple of years, the charity sector has learnt a lot about integrity and safeguarding, and the harm that can be caused when integrity is abused. Integrity in charity governance is much more than managing funds and financial assets well. It is also about values, ethical principles in all decision-making and creating a welcoming and supportive culture.

Following the Charity Commission’s safeguarding regulatory alert last year, the steering group have put further emphasis on the right of everyone who comes into contact with a charity, including staff, volunteers, partners and beneficiaries – to be safe and to know how to speak up and raise concerns.

More information on the Charity Governance Code, and the updated principles, can be found at:

<https://www.charitygovernancecode.org/en>

Charity Commission guides

The Charity Commission has launched a campaign aimed at helping trustees refresh their knowledge of charity governance and be “certain in uncertain times”.

A suite of 5 visually engaging animated videos promoting one of the regulator’s 5 minute guides has been developed. The guides provide simple, easy to understand information on all the governance basics trustees need to know. The campaign prompts trustees to consider their understanding of their key responsibilities by posing a question connected to each guide:

- Does every decision help your charity with its mission?
- Could your charity be drifting into activities that your charity is not set up to do?
- Is your charity reporting the right things at the right time?
- Could you spot a conflict of interest and manage it?
- Is there more you can do to prevent fraud?

Further information is provided at: <https://www.gov.uk/government/news/regulators-new-5-minute-guides-will-support-charity-trustees-to-meet-duties>

Charities Bill

The government has implemented the recommendations made by the Law Commission in 2017 in the reformed Charities Bill. There are four main amendments relating to powers around governing documents, improving how land transactions are carried out, making more use of the permanent endowment and simplification of incorporations and mergers. There are also changes to what charities can do with funds raised from failed fundraising appeals and removing the requirement to seek Charity Commission permission for small ex gratia payments.

A summary of the Bill can be found at: <https://www.gov.uk/government/publications/charities-bill-factsheet/charities-bill-factsheet#what-the-bill-does>

Cyber-security and privacy

In March 2021, the National Cyber Security Centre (NCSC) issued a stark cyber and privacy warning to the education sector. A rise in ransomware, malware, phishing attacks and general disruption to the online security of educational institutions has led to the NCSC issuing an important alert to the sector as reports of lost coursework, financial records and sensitive coronavirus data increase. In their report, the NCSC details recent

trends observed in ransomware attacks on the UK education sector encompassing trends observed during August and September 2020, as well as the recent attacks since February 2021. It also provides mitigation advice to help protect this sector from attack. The report can be read in full at: <https://www.ncsc.gov.uk/files/NCSC-Alert-Further-targeted-ransomware-attacks-education-sector-March-2021.pdf>

Safeguarding toolkit

Aid umbrella body Bond has urged charity bosses to “step up” on protecting staff and beneficiaries from abuse, as it launches guidance for improving safeguarding culture.

The tool is designed to help assess how an organisation approaches questions of safeguarding and develop plans for preventing “all types of harm, including sexual exploitation, abuse and sexual harassment”. The toolkit aims to help bosses lead discussions, and agree potential actions for their charity, under the heading of six foundations.

The six foundations identified in order to build a stronger safeguarding culture are: accountability, policies and processes, safer programming, a survivor-centred approach, awareness-raising, and safer recruitment and HR processes.

The toolkit can be found here: <https://safeguarding-tool.bond.org.uk/>

New off-payroll working rules (IR35)

New rules were introduced from April 2021 for organisations who pay contractors using personal service companies. The off-payroll working rules are designed to stop the avoidance of payroll taxes where a client pays a worker via the worker’s personal service company.

From April 2021, the responsibility of assessing whether contracts fall under the IR35 rules and implementing payroll deductions were extended to cover many private sector charities and other organisations. Previously the responsibility only affected organisations meeting the definition of ‘public authorities’. New requirements have also been introduced that will affect both public authorities and other organisations. In addition to public authorities, large and medium* size entities also fall under the new IR35 rules.

Charities and organisations under the new rules must review their contracts to determine whether the IR35 rules apply. A ‘Status Determination Statement’ (SDS) must be prepared, explaining the charity’s decision and reasoning for it. This SDS must then be given to the worker and their personal service company/agency. If the outcome is that the IR35 rules apply, the worker must go onto the charity’s payroll with tax and NICs deducted, before the net payment is made to the worker’s personal service company. The charity is also required to establish a disagreement process for any workers that wish to challenge the SDS they have been sent.

HMRC’s online Check Employment Status for Tax (CEST) tool is useful in determining whether IR35 applies, however it is not definitive and it may be worth seeking further advice on uncertain engagements.

Further information can be found at: <https://www.buzzacott.co.uk/insights/new-off-payroll-working-rules-ir35-what-your-charity-needs-to-do-before-april-2021>

**An incorporated entity is large or medium if any two of the following apply:*

- Annual turnover is more than £10.2 million
- Balance sheet total is more than £5.1 million
- Average number of employees is more than 50

HIGHER EDUCATION UPDATES

OfS additional grants

In July 2021, the Office for Students allocated £1.2 billion in funding to universities and colleges across England.

This comprises:

- £900 million to support the delivery of high-cost courses
- £273 million for student access and success
- £53 million funding for specialist providers including a number of world-leading institutions delivering courses in the performing and creative arts.

In addition to this, the OfS has also confirmed it will allocate £150 million of capital funding to help universities and colleges to invest in their physical infrastructure, £40 million to the Uni Connect outreach programme and £21 million for national facilities and regulatory initiatives, for example projects to support student mental health.

These grant allocations will be implemented from 2021/22 and are a result of the changes to the OfS funding methodology. Further information can be found at: <https://www.officeforstudents.org.uk/publications/recurrent-funding-for-2021-22/>

Strategic Priorities Grant

It was announced in August 2021 that the Office for Students will allocate an additional £10 million of funding for high cost subjects to universities and other higher education providers, through the Strategic Priorities Grant. The funding will support an increase in undergraduate students studying subjects that are more expensive to deliver such as medicine, dentistry, veterinary sciences, nursing and other healthcare courses, as well as laboratory-based subjects. Funding will be made available to those higher education providers taking on additional students studying high cost subjects, and will be allocated by formula. Funding will be allocated after providers submit student data for the 2020/21 academic year.

Further information can be found in the letter from the Universities Minister setting out the proposal at: <https://www.officeforstudents.org.uk/media/73a9e938-83d6-44fa-8490-4a2ef649f0b8/minister-donelan-letter-additional-funding-2021-9aug21.pdf>

Mental Health grants

Eighteen projects across universities and colleges in England will receive funding to support student mental health in a £6 million programme (£1 million provided by DHSC, £2 million from the DfE, and £3 million in co-investment from universities, colleges and partner organisations).

Projects are designed to focus on student groups which may be at an increased risk of poor mental health or might face barriers to accessing support such as international students, part-time students, or those with caring responsibilities.

A full list of projects and universities can be found at: <https://www.officeforstudents.org.uk/advice-and-guidance/funding-for-providers/mental-health-competition-using-innovation-and-intersectional-approaches/>

OfS priorities

The new Chair of the OfS, Lord Wharton has three key messages for the sector:

- the importance of high-quality courses, and universities' central role in levelling-up access to higher education for students from all backgrounds;
- urge universities to redouble their efforts to tackle antisemitism and harassment on campus; and
- signal a reduction in red tape for those universities and colleges that are delivering for students.

The OfS has also appealed to universities to review their sexual misconduct and harassment policies by summer 2021 and has published a statement of expectations for universities, which provides a set of consistent recommendations for higher education institutions to develop and implement effective systems, policies and processes to prevent and respond to incidents of harassment and sexual misconduct.

The full statement of expectations can be read at: <https://www.officeforstudents.org.uk/advice-and-guidance/student-wellbeing-and-protection/prevent-and-address-harassment-and-sexual-misconduct/statement-of-expectations/>

Prevent monitoring data

Universities and colleges have a number of obligations under the Prevent framework, which aims to safeguard people from being drawn into or supporting terrorism. Responsibilities include effective welfare mechanisms to support at-risk individuals, managing external speaker requests, and providing staff training. In September 2021,

the Office for Students published a range of data relating to how universities and colleges are performing their duties under the framework, covering three years, from 2017-18 to 2019-20. The following key points were highlighted:

- 37 instances where cases were formally referred to the police or local authority in 2019-20 (compared to 24 in 2018-19 and 15 in 2017-18)
- In 2019-20 and 2018-19 combined, the total number of events or speaker requests rejected for Prevent-related reasons was fewer than five (compared to an overall rejection amount of 94). This figure stood at 141 in 2018-19.
- In 2019-20, 22,363 staff received induction Prevent training, 11,151 received refresher training, and 102,527 received broader welfare/safeguarding awareness training or briefing.

Full data and analysis can be found at: <https://www.officeforstudents.org.uk/publications/prevent-monitoring-summary-of-annual-accountability-and-data-returns/>

Accounts

**The
Metanoia
Institute**

**Annual Report and Financial
Statements**

31 August 2020

Charity Registration Number
1050175

Company Registration Number
02918520 (England and Wales)

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Reference and administrative details Year to 31 August 2020

Trustees	Professor Ronald Parker (Chairman) Jeffrey White (Vice Chairman) Catriona Mackay Jeremy Arnott Dotun Olaleye Kelvin Jones Helen Coleman The trustees are appointed by resolution for a term of up to four years and thereafter for three year terms for a maximum of four consecutive terms.
Company secretary	Douglas Bertram
Chief Executive Officer	Professor Sheila Owen-Jones
Deputy Chief Executive Officer	Professor Carrie Weston
Director of Finance	Anita Faherty
Registered office	13 North Common Road Ealing London W5 2QB
Additional training premises	13 Gunnersbury Avenue Ealing London W5 3XD

Reference and administrative details Year to 31 August 2020

Faculty Heads

Faculty 1: Faculty of Psychotherapy and Counselling	Professor Carrie Weston (Acting Head)
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Faculty 2: Post-Qualification and Professional Doctorates, Research Strategy and Innovation	Dr Biljana van Rijn
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Faculty 3: Faculty of Applied Social and Organisational Sciences Research Strategy and Innovation	Dr Peter Pearce
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Company registration number	02918520
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Charity registration number	1050175
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Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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Bankers	HSBC Bank plc 46 The Broadway London W5 5JZ
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Solicitors	Bates Wells & Braithwaite LLP 2-6 Cannon Street London EC4M 6YH
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Metanoia Institute ("the Institute") is a charitable company limited by guarantee and was established on 8 April 1994. It is governed by a Memorandum and Articles of Association.

Metanoia Institute's registered charity number is 1050175 and the company registered number is 02918520.

The Trustees, who are also directors of the Metanoia Institute for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 August 2020. These have been prepared under the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later, and comply with the Office for Students' Accounts Direction 2019/20.

Governance Structure

Metanoia Institute's governance arrangements have been developed to ensure compliance and best practice is maintained across the organisation. It is recognised that good governance is essential to the maintenance of academic standards, the quality of the student learning experience and effective organisational management.

The Board of Trustees is the senior body acting with legal and strategic accountability for Metanoia Institute. The various authorities and actions pertaining to the Board of Trustees are detailed in two formal documents: the organisation's Articles of Government and Articles of Association. These include: responsibility for corporate governance, corporate performance monitoring, financial stewardship and the on-going management, appraisal and support of the Chief Executive Officer.

The work of the Board of Trustees is supported by three specialist sub-committees: the Finance, Audit and Risk, and Staffing and Remuneration (SARSC). The Audit Committee was formed in May 2020, however due to the time needed to appoint a Chair, the first meeting will take place in February 2021. The purpose of the Finance Committee and the Audit and Risk Committee is to assist the Board of Trustees in fulfilling their statutory financial responsibilities and in discharging their duties diligently and efficiently. The purpose of the SARSC is to oversee and support policies and practice in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation.

At the functional level, there is a clear division of responsibility between the Executive Committee (which oversees all matters pertaining to the strategic, financial and operational management of the Institute) and Academic Board (which oversees all matters pertaining to programmes, academic and student lifecycle management as well as quality assurance and enhancement).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance Structure (continued)

The **Executive Committee** comprises the Chief Executive Officer, Deputy Chief Executive Officer, the four Faculty Heads with the Director of Finance, the Head of Academic Quality (with the Registrar, Facilities Manager and Human Resources Manager), as well as other specialist staff, in attendance on an as-needs basis). Its core purposes are to enact the decisions of the Board of Trustees, to manage the Institute's day-to-day operations and to be accountable for the financial management of the Institute. Furthermore, the Executive ensures that an appropriate level of consideration is given to strategic decisions, that there is accountability for those decisions and that effective leadership of, and communication with, staff across the Institute is achieved. The key responsibilities of the Executive are to deliver the strategic and operational plans of the Institute as well as to agree policies and effect implementation to support that delivery.

The **Academic Board** comprises the Chief Executive Officer, Deputy Chief Executive Officer, the four Faculty Heads, the Director of Finance, the Head of Academic Quality and Registrar as well as academic staff, support staff and student representatives. Its core purpose is to act as Metanoia Institute's principal academic authority. The Academic Board guides the Institute's academic development, the setting and maintenance of threshold academic standards and the quality of the student experience, oversees quality assurance and enhancement and determines and authorises curriculum content. The Academic Board is also responsible for the development of the Strategic Plan as regards portfolio, research, learning, teaching and assessment and for overseeing the validation and review of programmes, the admission of students and all areas pertaining to academic delivery and support.

To enable the Executive Committee and Academic Board to carry out these manifold tasks, **seven sub-committees** (Clinical Ethics; Equality and Diversity; Quality and Standards; Learning, Teaching and Enhancement; Joint Staff Student; Research; Research Ethics) have been established and are operating in a deliberative context. Each sub-committee is chaired by a Faculty Head or other senior manager and comprises a broad membership of staff and student representatives that encourages robust and effective ideas-generation and decision-making throughout the Institute.

Committee servicing is jointly managed by the Executive Officer and Academic Quality Manager, with the former responsible for diarising and resourcing committee meetings and overseeing the performance of the secretariat, and the latter responsible for brokering the relationships that exist between Metanoia Institute's various committees and sub-committees and for monitoring actions required by the committees.

Vision

Metanoia Institute's Vision 2020 is to invest in the life of individuals, organisations and communities through excellence in training, practice and research in the psychological therapies.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Mission

Metanoia Institute's Mission is fourfold:

- ◆ to offer high quality humanistic and integrative programmes of study in the professional fields of counselling, psychotherapy, counselling psychology and supervision through the provision of a wide range of opportunities;
- ◆ to support research in the development of professional knowledge;
- ◆ to work closely with relevant professional bodies as well as our partners in the university sector;
- ◆ to provide lower cost counselling and psychotherapy services for the benefit of the general public.

Metanoia Institute's Strategic Aims support the pursuit of the Vision and Mission as follows:

- ◆ to offer teaching, training and lifelong learning of the highest quality;
- ◆ to provide students with a theoretical and practical framework on which to base a professional and ethical practice in their chosen area of work;
- ◆ to enhance the Institute's reputation for excellence in practice-based research and scholarship;
- ◆ to offer practitioner training within a supportive and inclusive environment;
- ◆ to provide accessible and effective educational and clinical services to the wider community;
- ◆ to develop a research active culture within each Faculty.

Strategic Aims

Metanoia Institute's decision to work towards Degree Awarding Powers (DAPs) is a collective reflection of the aspirations of our Board of Trustees, Executive, Administration, Support Staff and the Student Body. The strategic aim of the organisation is to consolidate the Institute's position in Higher Education by attaining DAPs, potentially leading to University Title.

Reasons for Seeking Degree Awarding Powers

Metanoia Institute is a mature institution, having been engaged in the development, delivery and assessment of higher education programmes since 1984.

Four of the Institute's programmes (MSc Gestalt Psychotherapy, MSc Integrative Psychotherapy, MSc Transactional Analysis Psychotherapy and BA (Hons) Person-Centred Counselling) having been in continuous delivery for more than twenty years, and the DPsych is currently recruiting its twenty first cohort.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Reasons for Seeking Degree Awarding Powers (continued)

Metanoia Institute is confident that it has the capacity to act as an autonomous academic community, to determine the awards that it offers, to set and maintain the academic standards of those awards and to assure and enhance the quality of the student experience in delivering those awards.

Management Structure

Metanoia Institute's Chief Executive Officer is appointed by, and responsible to the Board of Trustees for implementing the decisions of the Board of Trustees, for the day-to-day executive direction and management of the Institute and for the leadership of all staff.

The Chief Executive Officer line manages the Deputy Chief Executive Officer, all four Faculty Heads, Director of Finance, Head of Academic Quality (the Executive Team) as well as the Facilities Manager and the Executive Officer. With the addition of the Human Resources Manager, this group comprises the Institute's Senior Management Team.

Each Faculty Head has operational management responsibility for their Faculty, a specific portion of the academic portfolio, as well as line management responsibility, for a portion of the complement of academic staff, administration and support staff.

Details of staff numbers are provided in note 3 of these financial statements.

Academic Provision

Metanoia Institute's provision is grouped into four distinct faculties:

- ◆ The Faculty of Psychotherapy & Counselling;
- ◆ The Faculty of Post-Qualification & Professional Doctorates;
- ◆ The Faculty of Research Strategy & Innovation;
- ◆ The Faculty of Applied Social and Organisational Sciences.

The **Faculty of Psychotherapy and Counselling** oversees the work of staff and students involved in eight 'core' programmes:

- ◆ Bachelor of Arts (Honours) Person-Centred Counselling;
- ◆ Bachelor of Science (Honours) Humanistic Counselling;
- ◆ Bachelor of Science (Honours) Reflective Therapeutic Practice;
- ◆ Master of Science Contemporary Person-Centred Psychotherapy and Applications;
- ◆ Master of Science Gestalt Psychotherapy;
- ◆ Master of Science Humanistic Psychotherapy;
- ◆ Master of Science Integrative Psychotherapy;
- ◆ Master of Science Transactional Analysis Psychotherapy.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

The **Faculty of Post-Qualification & Professional Doctorates** oversees the work of staff and students involved in the following four programmes as well as other Doctoral developments:

- ◆ The Doctorate in Psychotherapy by Professional Studies;
- ◆ The Doctorate in Psychotherapy by Public Works;
- ◆ The Doctorate in Counselling Psychology and Psychotherapy by Professional Studies;
- ◆ Doctor of Philosophy.

The **Faculty of Research Strategy and Innovation** oversees the work of staff and students involved in research across the Institute and with external partners in the following ways:

- ◆ Research Centre: faculty-wide research activities and events;
- ◆ Research projects with other universities and research partners;
- ◆ Research Clinic and the development of research practice;
- ◆ The Ealing Borough Consortium;
- ◆ Maximise Research and Research Income.

The **Faculty of Applied Social & Organisational Sciences** oversees the work of staff and students involved in the following programmes and counselling services:

- ◆ Master of Arts Therapeutic Fostering and Adoption;
- ◆ Master of Science Creative Writing for Therapeutic Purposes;
- ◆ Post Qualification Conversion Diploma from Adult to Adolescent and School Counselling;
- ◆ Post Qualification, IAPT licensing, Practitioner and Supervisor Training Counselling for Depression;
- ◆ Ethos Schools Based Humanistic Counselling Randomised Controlled Trial;
- ◆ The Metanoia Schools Counselling Service.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

In addition to the higher education provision listed above, Metanoia Institute continues to offer professional clinical diploma routes for those students who wish to register as practitioners but who do not seek an academic qualification. These programmes are taught alongside the award-bearing programmes and overseen by the Faculty of Applied Psychotherapy and Counselling:

- ◆ Diploma in Gestalt Psychotherapy;
- ◆ Diploma in Humanistic Counselling;
- ◆ Diploma in Humanistic Psychotherapy;
- ◆ Diploma in Integrative Psychotherapy;
- ◆ Diploma in Person-Centred Counselling;
- ◆ Diploma in Person-Centred Psychotherapy;
- ◆ Diploma in Transactional Analysis Counselling;
- ◆ Diploma in Transactional Analysis Psychotherapy.

Metanoia Institute offers a range of continuing professional development (CPD) courses (ranging from evening workshops to multi-day professional certificates) that are open to students, staff, alumni and independent practitioners.

The student population

Metanoia Institute's student population stood at 1,089 in 2019/20 of whom 179 are enrolled on Doctoral programmes, 154 on taught post-graduate programmes, 321 on taught undergraduate programmes and 435 on professional programmes.

Metanoia Institute recruits both nationally and internationally, with 95% of the Institute's current students coming from the UK, 4% from within the EU and 1% from outside the EU. Within the UK, 57% came from London, 21% from the South-East and 22% from the remainder of the UK.

Metanoia Institute's student body is both atypical and diverse, with a gender ratio of 76% female to 24% male, with an average age of 44 across all programmes. 6.5% of the Institute's students identify as belonging to the Lesbian, Gay, Bisexual, Transsexual, Queer or Intersex (LGBTQI) community, 9.3% identify as coming from a black or minority ethnicity (BME) background, and 6.8% have disclosed a specific disability.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Quality monitoring

Quality monitoring is undertaken via the following:

- ◆ Assessment Boards;
- ◆ Board of Studies;
- ◆ University Validation Bodies (MDX);
- ◆ Accreditation Boards (BPS, BACP, BAC, EAP, HCPC, UKCP);
- ◆ Quality Assurance Agency (QAA);
- ◆ University Annual Monitoring Reports;
- ◆ External Examiner Reports

How our activities deliver public benefit

The Trustees have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on Public Benefit.

The Trustees and senior management team took account of the public benefit requirements whilst setting the strategic plan. The Trustees and senior management team believe that all of Metanoia Institute's objects are linked to the provision of public benefit.

Examples of public benefit with regard to our educational services include:

- ◆ The provision of a range of training courses in psychological therapy;
- ◆ The provision of a range of optional academic qualifications for students undertaking a first training in psychological therapy from BA (Hons) to Doctoral level;
- ◆ The provision of additional academic qualifications to practitioners qualified in psychological therapy;
- ◆ The provision of a range of workshops suitable for continuing professional development needs;
- ◆ The provision of increased public learning and knowledge about psychological therapy, as a result of research undertaken within the Metanoia Institute; and
- ◆ Counselling within Schools.

A key feature of the Institute's public benefit with regard to educational services is the provision of bursaries. The Trustees believe that students' learning is enhanced in a diverse community and Metanoia students come from a range of ethnic and economic backgrounds.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

How our activities deliver public benefit (continued)

Examples of public benefit with regard to clinical services include:

- ◆ The Metanoia Counselling and Psychotherapy Service (MCPS) provides accessible services to the local community. The growth of the Research Clinic within the Metanoia Counselling and Psychotherapy Service demonstrates the Institute's commitment to the provision of effective psychological therapies. Clients, together with their counsellor/psychotherapist, will complete a number of psychological testing measures on a regular basis which will then be analysed. Examples of measures to be used include Beck's depression inventory. Results of the research will be used to ensure the effectiveness of training and therefore services.
- ◆ The provision of a free assessment to ascertain whether a potential client is suitable for counselling/psychotherapy within MCPS. Previously clients were assessed by telephone, but since the introduction of face-to-face assessment sessions, greater numbers of clients have applied for assessment sessions.
- ◆ The provision of lower cost counselling and psychotherapy services to the general public. Fees are charged on a sliding scale dependent on the client's ability to pay. The minimum fee is £5 per session which is typically 10% of the fee charged by therapists in private practise.
- ◆ The provision of counselling for a period of up to six months. Access to counselling via the local Primary Care Trust is usually restricted to four, six or twelve sessions.
- ◆ The provision of a range of different approaches to counselling and psychotherapy to offer clients a choice of a preferred mode.

Achievements and performance

The principal activity is the provision of training courses in counselling, psychotherapy and counselling psychology and other associated therapies. The Institute also runs a lower cost clinic service. There has been no change in the policies adopted by the Institute to achieve its objectives.

The training is provided using the services, on a part time basis, of qualified trainers in counselling, psychotherapy and counselling psychology. Many students are qualified professionals in the healthcare field. The courses are run on a part-time basis, normally at weekends and lead to a qualification after three or more years. New funding for research via counselling in schools activity also contributed to an increase in income.

Metanoia Institute continued to invest in its rolling programme of repairs and replacements, ensuring that student facilities are maintained to the highest standards.

Premises

Metanoia Institute fully owns its two properties at North Common Road and Gunnersbury Avenue, which were recently valued at approximately £6,000,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Fundraising

The Institute does not solicit donations and is not registered with the Funding Regulator. If a donation is received from an individual, the Institute applies GDPR rules.

Trustees Report COVID-19 Response

Activities affected by virus control measures

The Institute responded pro-actively to the control measures required for COVID-19 with the following measures put in place:

- ◆ Knowing that we would not be able to teach face to face, we moved our teaching to live on-line training.
- ◆ All our employees worked from home. We provided those that required equipment with the necessary technology.
- ◆ All scheduled meetings took place on-line. These included internal Board of Trustees, Committee, Executive and Team meetings. Meetings also took place with external organisations on-line.

Both staff and students responded well to our new way of working.

Financial uncertainties, going concern basis

We have invested in technology for our staff to work from home, but this has been at a cost of £8,202. All off the technology purchased will be returned to the organisation when staff can return to work.

We have received reduced forecast student fees for the year to the amount of £43,000, but we actively informed students that they could defer their fees if they were facing financial difficulties due to the pandemic. We worked with them to devise extended payment plans, some of which extend into the 2020/21 financial year and beyond.

Our reserves are currently £1,749,268. We have revised our reserves policy from £900,000 to £950,000 but this does not relate to increase costs due to the pandemic, it is due to restructuring taking place within the organisation.

We have incorporated £37,000 within the 2020/21 budget to pay for the hire of room rental at another organisation as due to social distancing measures we are limited in the amount face to face teaching we can carry out within our own premises.

We do not have a pension liability. We do have funds invested within a high street bank. Interest rates have decreased, and we have adjusted the forecast interest accordingly, but the decrease was minimal.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees Report COVID-19 Response (continued)

Financial uncertainties, going concern basis (continued)

After making appropriate enquiries, including student enrolment numbers for 2020/21 academic year the Board of Trustees considers that the organisation has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The risk we face is whether our students or prospective students are content with being taught through a mixture of blended learning. To mitigate risks we implemented a survey asking current students' opinion on how Metanoia Institute responded to the COVID-19 situation and their views on moving forward into the new academic year. Various questions were asked, but when asked if Metanoia had been supportive the survey returned a score of 4.24 based on a score of 1 to 5 (1 being very poor and 5 being very supportive. 97% of the students that responded to the survey, agreed that facilitating live teaching and learning was the best option.

FUTURE PLANS

Similar to other higher education institutions, we are faced with the complex task of ensuring that our students receive the best possible training experience, whilst taking all appropriate measures to prevent the continued transmission of the COVID-19 virus in the community. Based on the review of the student survey, the requirements and guidance issued by the OfS and HEA, and by keeping actively in touch with developments across the sector, the following plans have been put in place.

A Metanoia Institute 'dual delivery' model, guided by two equal principles:

- ◆ Safety and wellbeing of the entire Metanoia Institute community
- ◆ Provision of learning and teaching excellence on all programmes

The dual delivery approach will take a 'best of both worlds' position. Some learning opportunities will be offered to all students in a face-to-face format, with a spine of online teaching taking place via Zoom and through enhanced online activities. The dual delivery approach allows for flexibility in terms of respecting student choice, plus the potential for agility in the light of changing circumstances.

It will provide sufficient face-to-face teaching opportunities to ensure the continuity of the fundamentals of Metanoia Institute training; those being teaching which fosters relational learning and requires interpersonal, experiential opportunities. However, high-quality teaching and learning will also be offered online, producing a blended offer.

Operational arrangements:

As we are unable to comply fully with social distancing measures at our own premises, we have rented space at Middlesex University. This will allow us to comply with social distance measures when providing face to face learning.

FUTURE PLANS (continued)

Operational arrangements: (continued)

To function within the principle of safety and wellbeing in our dual delivery model, the following operational measures will apply:

- ◆ When on premises, full safety precautions and resources will be mandatory (hand sanitiser, social distancing, self-reporting of symptoms, etc).
- ◆ All staff and students will need to provide personal contact details to enable 'track-and-trace' to operate.
- ◆ Students and staff should only attend on premises if they are feeling well and all those in their immediate household are well.
- ◆ Any person attending a teaching event on premises must leave immediately if they experience any symptoms of being unwell or related to COVID-19 (raised temperature, sore throat, cough, loss of sense of taste/smell).
- ◆ Students must inform their tutor / Academic Co-ordinator of their intention to either attend in person or study remotely, ideally no less than 24 hours prior to the timetabled teaching event.

These operational arrangements demonstrate to students and staff that we are fully guided by the principle of safety and wellbeing.

In the event of any local or national lock down we will revert to on-line teaching and students and staff have been made aware of this.

Phased Return to Work

We also carried out a staff survey asking staff their views on returning to work. The survey produced a mixture of views. Some staff are concerned about travelling, their safety and wellbeing once they are on our premises and some staff have no concerns. We feel it is vital that we consider our individual staff needs, and their concerns are addressed in planning our return to work. As a result of this and from conversations with varying groups of staff we will return to work gradually. This will allow us to test health and safety measures in practice and ensure we can work with larger numbers before encouraging more of our workforce back. We will also be flexible with working hours and staggered start and end times to the working day.

At the time of writing this report we have had to revert to on-line live teaching only. This is due to the pandemic situation. The plans outlined above will be used when COVID-19 restrictions are eased.

FINANCIAL REVIEW

Financial performance

The incoming resources for the year amounted to £4,461,830 (2019: £3,788,392). This represents an increase of £673,438 on the previous year.

Expenditure for the year amounted to £4,312,678 (2019: £3,674,916), an increase of £637,762. This increase in expenditure was mainly attributable to increased investment in professional staff including an appointment of a Deputy Chief Executive Officer and an improvement in technical support both in systems and hardware.

As a result of the above, net income for the year was £149,152 (2019: £113,476).

Reserves policy

The Trustees define free reserves in accordance with Charity Commission guidelines in that they are generally unrestricted funds less tangible fixed assets, net of any related loans and excluding designated funds.

The Trustees have reviewed the Institute's reserves policy and have decided to set reserves at the equivalent of three months operating expenses, which approximates to £950,000. (2019: £900,000)

At 31 August 2020, free reserves amounted to £1,749,268 (2019: £1,526,514) which is above the target. Future plans include significant capital investment within the next two years and reserves are being held above target to achieve this plan.

Trustees have agreed to review the level of reserves annually to ensure the appropriateness of the agreed level of reserves and any action required to adjust funds held in reserves.

PLANS FOR THE FUTURE

The Institute has future plans in relation to COVID 19 which can be found in an earlier section of this report within the Trustees Report COVID 19 Response. The Institute will continue to work towards gaining its own degree awarding powers.

RISK MANAGEMENT

The Trustees have formally re-assessed and reviewed the major risks to which the Institute is exposed to. Particular attention has been paid to the risks associated with the economic climate. The effectiveness of control systems in mitigating the Institute's exposure to these risks have also been assessed. The key risks to the Institute, and measures to mitigate these risks, are listed below:

- ◆ Student numbers – The Institute mitigates the risk of not achieving the desired number of students by planning in advance, particularly as part of the budget process, and ensuring continued retention of students.
- ◆ Reputation – The Institute maintains quality and standards and ensures compliance in all areas, whilst also ensuring student involvement and engagement.

RISK MANAGEMENT (continued)

- ◆ Technology – The Institute ensures systems are up to date, encrypted and appropriate for business purposes and processes.

Risk assessment continues to be an ongoing process at the Institute.

Trustees' Report approved by the Trustees on 24 November 2020 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'R. Parker', written in a cursive style.

Prof. R. Parker
Chairman

Statement of Corporate Governance and Internal Control Year to 31 August 2020

The following statement is provided to enable readers of the annual report and financial statements of Metanoia Institute to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2019 to 31 August 2020 and up to the date of the approval of the annual report and financial statements.

Metanoia Institute endeavours to conduct its business;

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted and the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Board of Trustees recognises that as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

Legal Status

The Metanoia Institute is a Registered Charity and a Private Limited Company by guarantee without share capital use of limited exemption.

The Board of Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

The Board of Trustees

The members who served on the Board of Trustees during the year and up to the date of signature of this report are listed below.

Name	Category of Membership	Date First Appointed	Date of Reappointment/Retirement	Attendance 1/9/19-31/8/20
Professor Ronald Parker	Chair	20/11/2000	Reappointed: 26/11/2019	4 of 4
Jeffrey White	Vice-Chair, Trustee	29/04/2008	Needs to be reappointed at next AGM	4 of 4
Jerry Arnott	Trustee	29/04/2014	Reappointed: 05/02/2019	3 of 4
Helen Coleman	Trustee	26/11/2019	N/A	4 of 4
Kelvin Jones	Trustee	26/11/2019	N/A	4 of 4
Catriona McKay	Trustee	29/04/2014	Retired: 28/07/2020	4 of 4
Dotun Olaleye	Trustee	10/05/2016	Needs to be reappointed at next AGM	2 of 4
In Attendance:				
Andrew Schiller	Student Representative	16/07/2019	Retired: 28/07/2020	2 of 3
Professor Sheila Owen-Jones	Chief Executive Officer	N/A	N/A	N/A

Statement of Corporate Governance and Internal Control Year to 31 August 2020

<u>Audit and Risk Committee</u>		
Name	Category of Membership	Term
TBC	Chair	3 years
Helen Coleman	Trustee	3 years
Kelvin Jones	Trustee	3 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Professor Carrie Weston	Deputy Chief Executive Officer	N/A

The Audit and Risk Committee was formed in May 2020 and will undertake its first meeting in February 2021.

<u>Finance Committee</u>		
Name	Category of Membership	Term
Jerry Arnott	Chair	4 years
Dotun Olaleye	Trustee	4 years
Jeffrey White	Trustee	4 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Anita Faherty	Director of Finance	N/A

<u>Staffing and Remuneration Committee</u>		
Name	Category of Membership	Term
Catriona McKay	Chair	Retired: 28/07/2020
Jerry Arnott	Trustee	4 years
Jeffrey White	Trustee	4 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A

Board of Trustees' interests

The Board of Trustees are shown above an except for any instance mentioned above have served throughout the year. None of the Board of Trustees have any interests within the company.

The Secretary to the Board of Trustees maintains a register of financial and personal interest of the members of the Board of Trustees and senior post holders. This can be obtained by contacting douglas.bertram@metanoia.ac.uk

Statement of trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 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 the Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Statement of trustees' responsibilities (continued)

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. 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

Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the organisation together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Board of Trustees met 4 times in 2019/20.

The Board of Trustees receives advice from on the conduct of its business from three committees. Each committee has its own terms of reference which have been approved by the Board of Trustees. This committees are, Finance, Staffing and Audit and Risk. The Audit and Risk Committee was formed in May 2020, an independent Chair has now been appointed and the first meeting is due to take place in February 2021.

Metanoia Institute has a strong and independent non-executive element and no individual or group dominates its decision-making process. The organisation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman and Accounting Officer are separate.

Full minutes of all meetings, except those deemed to be confidential by the Board of Trustees, are published on the organisation website.

Appointment to the Board of Trustees

Appointment to the Board of Trustees are matters for consideration of the Board of Trustees as a whole.

Board of Trustees Performance

The Board of Trustees have made a strong contribution to the improvements made in 2019/20 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Board meetings. The Board of Trustees provide robust scrutiny and challenge. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Board business.

Committees

Audit and Risk Committee

The Audit and Risk Sub-Committee is responsible to the Board of Trustees in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors. The Committee was formed in May 2020, and independent Chair has now been appointed and the first meeting is due to take place in February 2021. The Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

Finance Committee

The Finance Committee oversees Metanoia Institute's financial reporting process, including the internal control structure and procedures for financial reporting and monitoring the integrity and appropriateness of the financial statements. The Committee monitors and reviews projected levels of income and expenditure across each Faculty and the whole Institute. It ensures an effective framework is in place to review performance against budget and to recommend improvements to accounting policies, systems, and procedures.

Staffing and Remuneration Committee

The Staffing Committee oversees and supports policies and practices in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation. The Committee also report on Health and Safety issues. Terms of Reference of the Committees can be found on our website.

Internal Control

Scope of responsibility

The Board of Trustees is ultimately responsible for the organisations system of internal control and for reviewing its effectiveness. However, 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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there was a formal on-going process for identifying, evaluating and managing the

Institutes significant risks that had been in place for the year ended 31 August 2020 an up to the date of approval of the annual report and financial statements.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Trustees
- ◆ regular reviews by the Board of Trustees of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

Review of effectiveness

As the Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive Officer review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The senior management team and the Audit and Risk Committees also receive regular reports, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Trustees agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2020 meeting, the Board of Trustees, carried out the annual assessment for the year ended 31 August 2020 by considering documentation from the senior management team, and taking account of events since 31 August 2019.

Based on above and reports by the Chief Executive Officer, the Board of Trustees is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2020 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

Regularity, propriety, and compliance

The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Board of Trustees believes it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

Statement of Corporate Governance and Internal Control Year to 31 August 2020

Going Concern

Details on Board's going concern assessment are set out on page 31.

Approved by order of the Board of Trustees and signed on its behalf by:



R. Parker

Chair



S. Owen-Jones

Chief Executive Officer

24 November 2020

Independent auditor's report to the members of The Metanoia Institute

Opinion

We have audited the financial statements of Metanoia Institute (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2019/20.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction 2019/20 requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

Basis for opinion

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

Conclusions relating to going concern

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

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, 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' report.

Matters on which we are required to report by exception (continued)

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
- ◆ the financial statements are not in agreement with the accounting records; 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report Year to 31 August 2020

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.

A handwritten signature in grey ink, appearing to read 'Shachi Blakemore', is positioned above the printed name.

23 December 2020
Shachi Blakemore, Senior Statutory Auditor
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure statement) Year to 31 August 2020
(which includes statement of changes in reserves)

	Notes	2020 Total £	2019 Total £
Income from:			
Charitable activities	1		
. Fees from educational services		4,203,774	3,618,281
. Fees from clinical services		243,176	160,008
Other trading activities			
. Letting income		360	511
Interest receivable		14,520	9,592
Total income		4,461,830	3,788,392
Expenditure on:			
Charitable activities			
. Educational services		3,836,677	3,313,633
. Clinical services		476,001	361,283
Total expenditure	5	4,312,678	3,674,916
Statement of changes in reserves:			
Net income and net movement in funds for the year	2	149,152	113,476
Reconciliation of funds:			
Balance brought forward at 1 September		4,142,629	4,029,153
Balance carried forward at 31 August		4,291,781	4,142,629

All amounts are derived from continuing activities. Restricted income for 2020 amounted to £99,552, all of which was spent by the year end. These funds relate to grants received within the year. All remaining funds are unrestricted.

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 34 to 40 form part of these financial statements.

Balance sheet 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	6		2,384,412		2,458,013
Current assets					
Debtors	7	262,247		180,274	
Cash at bank and in hand		1,582,807		1,945,831	
Short-term deposits		1,520,489		1,009,261	
		3,365,543		3,135,366	
Creditors: amounts falling due within one year	8	(1,458,173)		(1,450,750)	
Net current assets			1,907,369		1,684,616
Total net assets			4,291,781		4,142,629
The funds of the charity:					
Unrestricted funds:					
. Designated funds			2,542,513		2,616,115
. General funds			1,749,268		1,526,514
Restricted funds			—		—
	11		4,291,781		4,142,629

Approved by the Trustees and authorised and signed on their behalf by:



R. Parker
Chair of Trustees



S. Owen-Jones
Accountable Officer

Date: 24 November 2020

The notes on pages 34 to 40 form part of these financial statements

The Metanoia Institute
Company Registration Number 02918520 (England and Wales)

Statement of cash flows 31 August 2020

	Notes	2020 £	2019 £
Cash inflow from operating activities:			
Net cash provided by operating activities	A	147,350	233,847
Cash outflow from investing activities:			
Interest from investments		14,520	9,592
Purchase of tangible fixed assets		(13,666)	(19,025)
Net cash used in investing activities		854	(9,433)
Change in cash and cash equivalents in the year		148,204	224,414
Cash and cash equivalents at 1 September	B	2,955,092	2,730,678
Cash and cash equivalents at 31 August	B	3,103,296	2,955,092

Notes to the statement of cash flows for the year to 31 August:

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	149,152	113,476
Adjustments for:		
Depreciation charge	87,267	70,581
Interest from investments	(14,520)	(9,592)
Decrease in debtors	(81,973)	(69,654)
Decrease in creditors	7,424	129,036
Net cash provided by operating activities	147,350	233,847

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,582,807	1,945,831
Short-term deposits	1,520,489	1,009,261
Total cash and cash equivalents	3,103,296	2,955,092

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2020 and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Office for Students' Accounts Direction 2019/20.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ the allocation of support costs to charitable activities.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the Institute's activities, beneficiaries, funders, suppliers and the wider economy.'

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and in making their assessment have given consideration to the effects of the pandemic on the charity and its operations.'

Assessment of going concern (continued)

The Board of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Board are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The more significant areas of judgement that affect items in the financial statements are detailed above.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year would be disclosed as short term deposits. Cash placed on deposit for more than one year would be disclosed as a fixed asset investment.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are used for specific purposes as agreed by the Trustees. Expenditure which meets these criteria is charged to the funds.

Restricted funds are used for specific purposes as stated by the grantor. Expenditure which meet these criteria is charged to the fund. The Institute currently holds no restricted funds.

Income

Income includes course fees, clinic charges, grants and investment income. Income is recognised in the year in which the charity is entitled to receipt, it is probable the charity will receive the income and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled or where the funder has specified that the income is to be expended in a future accounting period.

Expenditure

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Direct costs comprise direct costs incurred in carrying out the charitable activities of the organisation including direct staff costs and directly attributable running costs.

Expenditure which cannot be directly attributed to the relevant department is apportioned on the best estimates of each department's usage. Support costs are apportioned on the basis of time spent. Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the statement of financial activities.

Governance costs are costs associated with governing the charity including strategic planning and compliance with constitutional and statutory requirements. They are included in charitable activities within support costs and allocated to charitable activities on the basis of time spent.

Fixed assets

Fixed assets costing £2,000 or more are capitalised at cost.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

♦ Freehold land	Not depreciated
♦ Freehold buildings	2% to 10% straight line
♦ Furniture, fixture and equipment	10% to 33.3% straight line

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1 Grant and fee income

	2020 £	2019 £
Grant income from the OfS	34,647	—
Grant income from other bodies*	129,220	56,025
Fee income for taught awards	2,468,997	2,130,627
Fee income for research awards		
Fee income from non-qualifying courses	1,467,505	1,292,901
Clinic Client Income	113,957	103,418
School Based Research Income	194,830	134,654
Other Income	52,674	70,766
Total grant and fee income	4,461,830	3,788,391

*The grant income includes £99,552 of restricted income in 2020, all of which was fully spent in the year.

2 Net movement in funds

The net movement in funds is stated after charging:

	2020 £	2019 £
Depreciation	87,266	70,582
Auditor's remuneration – statutory audit	11,880	10,476
Auditor's remuneration – other services	2,150	—
Operating lease costs	10,464	10,464

3 Staff costs and remuneration of key management personnel

Full time equivalent employees in the year:

	2020 No.	2019 No.
Educational services	21	27
Clinical services	9	7
Administration and support	27	25
	57	59

Actual employees in the year:

	2020 No.	2019 No.
Educational services	94	103
Clinical services	11	9
Administration and support	32	30
	137	142

3 Staff costs and remuneration of key management personnel (continued)

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,976,203	1,658,663
Social security costs	252,328	198,819
Pension costs	35,853	31,100
	2,264,348	1,888,582
Restructuring Costs	39,092	
Trainers' fees	941,366	907,908
	3,244,842	2,796,490

Staff restructuring costs in the year relating to one person £39,092 (2019: £nil).

The Institute has given regard to the "Guidance on decisions taken about severance payments in HEI's" published by the Committee of University Chairs when determining severance pay.

Employees earning greater than £60,000 during the year on an annualised basis:

	2020 No.	2019 No.
£70,001 - £75,000	—	1
£75,001 - £80,000	1	2
£80,001 - £85,000	2	—
£85,001 - £90,000	—	1
£100,000 - £105,000	1	—
£105,001 - £110,000	—	1
£125,001 - £130,000	1	—
£130,001 - £135,000	1	—
	6	5

Pension contributions in respect of these employees were £10,052 (2019: £4,074).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the Chief Executive Officer (CEO), the Deputy Chief Executive Officer, Four Faculty Heads, (2019: four), and the Director of Finance. The total remuneration (including taxable benefits but excluding employers' pension contributions) of the key management personnel for the year was £767,748 (2019: £548,804).

3 Staff costs and remuneration of key management personnel (continued)

Chief Executive Officer Remuneration

	2020 £	2019 £
Basic salary	131,682	109,320
Bonus	500	500
Pension contribution	—	—
	132,182	109,820

The Chief Executive Officer's remuneration shown in year was recommended by the Staff and Remuneration Sub-Committee (SARSC). SARSC determines the salaries and conditions of service of all senior staff, including the Chief Executive Officer and the Executive Team. SARSC forwards their deliberations to the Finance, Audit and Risk Committee (FARSC) who assessed the economic and financial good standing of the Institute, projected future student growth, and academic success. FARSC presents their recommendations to the full Board of Trustees for approval.

Chief Executive's basic salary as a multiple of the median of all staff 2.19 (2019: 2.10)

Chief Executive's total remuneration as a multiple of the median of all staff 2.19 (2019: 2.11)

Trustees were not paid any remuneration, only expenses were reimbursed (see note 4 for details).

4 Trustees' remuneration and reimbursed expenses

One trustee received reimbursement of travel expenses of £421 in the year (2019: three received £2,811). None received remuneration for their services or benefits in either the current or prior year.

The Institute paid £1,726 (2019: £6,413) in relation to trustee indemnity insurance during the year.

5 Analysis of total resources expended

	Staff costs (note 3) £	Other £	Depreciation £	Total 2020 £
Charitable expenditure				
Educational services	2,911,138	838,271	87,267	3,836,676
Clinical services	333,704	142,298	—	476,002
	3,244,842	980,569	87,267	4,312,678

5 Analysis of total resources expended (continued)

	Staff costs (note 3) £	Other £	Depreciation £	Total 2019 £
Charitable expenditure				
Educational services	2,497,416	745,636	70,581	3,313,633
Clinical services	299,074	62,209	—	361,283
	<u>2,796,490</u>	<u>807,845</u>	<u>70,581</u>	<u>3,674,916</u>

5a

	Direct costs £	Support costs (note 5b) £	Total 2020 £
Charitable expenditure			
Educational services	3,194,879	641,797	3,836,676
Clinical services	263,121	212,881	476,002
	<u>3,458,000</u>	<u>854,678</u>	<u>4,312,678</u>

	Direct costs £	Support costs (note 5b) £	Total 2019 £
Charitable expenditure			
Educational services	2,741,175	572,500	3,313,633
Clinical services	166,159	195,082	361,283
	<u>2,907,334</u>	<u>767,582</u>	<u>3,674,916</u>

5b Analysis of support costs

	Total 2020 £	Total 2019 £
Support services		
Rent and rates	16,999	17,179
Heat, light and power	16,818	17,316
Travel and expenses	10,062	24,144
Printing and stationery	33,095	49,737
Property maintenance	52,386	51,388
Other staff costs	20,261	34,643
Validated program costs	313,298	285,857
Library books and journals	32,685	33,343
Computer software	89,638	71,646
Consultancy fees	19,827	1,109
Legal and professional fees	48,558	55,923
QAA registrations	30,419	2,723
General expenses	170,632	122,574
	<u>854,678</u>	<u>767,582</u>

6 Tangible fixed assets

	Freehold land and buildings £	Furniture, fixtures and equipment £	Total 2020 £
Cost			
At 1 September 2019	2,919,369	335,605	3,254,974
Additions	—	13,666	13,666
Disposals	—	(155,672)	(155,672)
At 31 August 2020	<u>2,919,369</u>	<u>193,599</u>	<u>3,112,968</u>
Accumulated depreciation			
At 1 September 2019	584,112	212,849	796,961
Charge for the year	40,908	46,359	87,267
Disposals	—	(155,672)	(155,672)
At 31 August 2020	<u>625,020</u>	<u>103,536</u>	<u>728,556</u>
Net book values			
At 31 August 2020	<u>2,294,349</u>	<u>90,063</u>	<u>2,384,412</u>
At 31 August 2019	<u>2,335,257</u>	<u>122,756</u>	<u>2,458,013</u>

7 Debtors

	2020 £	2019 £
Fee debtors	167,651	44,907
Prepayments and accrued income	94,596	135,367
	<u>262,247</u>	<u>180,274</u>

There were no fee debtors which relate to courses straddling two academic years (2019: £nil).

8 Creditors: Amounts falling due within one year

	2020 £	2019 £
Deferred income	1,255,733	1,112,008
Trade creditors	28,956	200,191
Other taxes and social security costs	107,363	67,004
Accruals	66,121	71,547
	<u>1,458,173</u>	<u>1,450,750</u>

Deferred income relates to fee and training income received in advance for the following academic year.

	2020 £	2019 £
Balance as at 1 September	1,112,008	1,067,945
Amount released to income	(1,112,008)	(1,067,945)
Amount deferred in year	1,255,733	1,112,008
Balance as at 31 August	<u>1,255,733</u>	<u>1,112,008</u>

9 Members' liability

The Metanoia Institute is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability is limited to £1 per member.

10 Operating leases

The charity had total future minimum commitments in respect to non-cancellable operating leases at 31 August as follows:

Equipment	2020 £	2019 £
Within one year	10,464	10,464
In two to five years	20,928	31,392
	31,392	41,856

11 Movement in funds

	At 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Total 2020 £
Unrestricted					
General	1,526,514	4,333,140	(4,096,721)	(13,666)	1,749,267
Designated					
. Bursary	—	29,138	(29,138)	—	—
. Redevelopment fund	158,102	—	—	—	158,102
. Fixed assets fund	2,458,013	—	(87,267)	13,666	2,384,412
	4,142,629	4,362,278	(4,213,126)	—	4,291,781
Restricted	—	99,552	(99,552)	—	—
	4,142,629	4,461,830	(4,312,678)	—	4,291,781

Restricted funds relate to grants received for AMORAY, HEROINES and TARCT projects.

	At 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £	Total 2019 £
Unrestricted					
General	1,331,482	3,788,392	(3,574,335)	(19,025)	1,526,514
Designated					
. Bursary	—	25,600	(25,600)	—	—
. Pension provision	30,000	—	(30,000)	—	—
. Redevelopment fund	158,102	—	—	—	158,102
. Fixed assets fund	2,509,569	—	(70,581)	19,025	2,458,013
	4,029,153	3,813,992	(3,700,516)	—	4,142,629

- ♦ The bursary fund represents funds set aside for the purpose of providing bursaries.
- ♦ The pension provision represented funds set aside for the future provision of pensions to staff and has been fully expended in the year.
- ♦ The redevelopment fund represents a legacy by Nina Joy Miller and are funds set aside for future academic and structural redevelopment of the Institute.

11 Movement in funds (continued)

- ◆ The fixed asset fund represents the net book value of the Institute's tangible fixed assets.

12 Related Party Transactions

Other than those disclosed in note 4 to the accounts the Institute did not conduct any related party transactions in the year'.

Detailed expenditure account 31 August 2020**DRAFT**

This page does not form part of the financial statements

	2020 £	2020 £	2019 £	2019 £
Expenditure				
Educational services:				
Salaries and wages	1,712,989		1,393,180	
Trainers' fees	932,301		900,785	
National Insurance	226,611		176,047	
Pension costs	31,371		27,403	
Staff recruitment and training	22,442		40,900	
External examiners fees	34,943		—	
Bursaries	29,137		25,600	
Validation fees	313,298		285,857	
Conference and courses	500		4,798	
Premises and maintenance	81,090		75,199	
Printing and stationery	68,211		77,823	
Depreciation	87,267		70,582	
Travel and subsistence	12,046		27,560	
Consultancy	19,827		—	
Library books and journals	40,669		33,343	
Rent and room hire	7,695		17,019	
Computer software	93,316		75,545	
Sundry	9,477		3,293	
Catering	5,008		11,989	
Legal and professional	20,451		18,473	
QAA/OfS registrations	30,418		2,723	
Advertising and marketing	11,267		5,178	
Committee costs	2,871		4,847	
Indemnity insurance	1,727		6,413	
Bad debts written off	3,156		3,063	
Auditor's remuneration	11,880		10,476	
Bank charges	26,709		15,537	
	3,836,677			3,313,633
Clinical services:				
Salaries and wages	302,306		265,482	
Trainers' fees	9,065		7,123	
National Insurance	25,717		22,772	
Pension costs	5,681		3,697	
Research costs	—		7,113	
Research partner fees	58,467			
Establishment costs	39,067		39,601	
Compliance (DBS) checks	4,093		7,276	
Consultancy Fee	—		1,109	
Sundry	139		317	
Computer support costs	29,218		4,081	
Conferences and courses	1,018		1,803	
Travel and subsistence	1,230		909	
		476,001		361,283
Total resources expended		4,312,678		3,674,916

**The
Metanoia
Institute**

**Annual Report and Financial
Statements**

31 August 2020

Charity Registration Number
1050175

Company Registration Number
02918520 (England and Wales)

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Reference and administrative details Year to 31 August 2020

Trustees	Professor Ronald Parker (Chairman) Jeffrey White (Vice Chairman) Catriona Mackay Jeremy Arnott Dotun Olaleye Kelvin Jones Helen Coleman The trustees are appointed by resolution for a term of up to four years and thereafter for three year terms for a maximum of four consecutive terms.
Company secretary	Douglas Bertram
Chief Executive Officer	Professor Sheila Owen-Jones
Deputy Chief Executive Officer	Professor Carrie Weston
Director of Finance	Anita Faherty
Registered office	13 North Common Road Ealing London W5 2QB
Additional training premises	13 Gunnersbury Avenue Ealing London W5 3XD

Reference and administrative details Year to 31 August 2020

Faculty Heads

Faculty 1: Faculty of Psychotherapy and Counselling	Professor Carrie Weston (Acting Head)
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Faculty 2: Post-Qualification and Professional Doctorates, Research Strategy and Innovation	Dr Biljana van Rijn
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Faculty 3: Faculty of Applied Social and Organisational Sciences Research Strategy and Innovation	Dr Peter Pearce
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Company registration number	02918520
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Charity registration number	1050175
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Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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Bankers	HSBC Bank plc 46 The Broadway London W5 5JZ
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Solicitors	Bates Wells & Braithwaite LLP 2-6 Cannon Street London EC4M 6YH
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Administration

The Metanoia Institute ("the Institute") is a charitable company limited by guarantee and was established on 8 April 1994. It is governed by a Memorandum and Articles of Association.

Metanoia Institute's registered charity number is 1050175 and the company registered number is 02918520.

The Trustees, who are also directors of the Metanoia Institute for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 August 2020. These have been prepared under the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later, and comply with the Office for Students' Accounts Direction 2019/20.

Governance Structure

Metanoia Institute's governance arrangements have been developed to ensure compliance and best practice is maintained across the organisation. It is recognised that good governance is essential to the maintenance of academic standards, the quality of the student learning experience and effective organisational management.

The Board of Trustees is the senior body acting with legal and strategic accountability for Metanoia Institute. The various authorities and actions pertaining to the Board of Trustees are detailed in two formal documents: the organisation's Articles of Government and Articles of Association. These include: responsibility for corporate governance, corporate performance monitoring, financial stewardship and the on-going management, appraisal and support of the Chief Executive Officer.

The work of the Board of Trustees is supported by three specialist sub-committees: the Finance, Audit and Risk, and Staffing and Remuneration (SARSC). The Audit Committee was formed in May 2020, however due to the time needed to appoint a Chair, the first meeting will take place in February 2021. The purpose of the Finance Committee and the Audit and Risk Committee is to assist the Board of Trustees in fulfilling their statutory financial responsibilities and in discharging their duties diligently and efficiently. The purpose of the SARSC is to oversee and support policies and practice in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation.

At the functional level, there is a clear division of responsibility between the Executive Committee (which oversees all matters pertaining to the strategic, financial and operational management of the Institute) and Academic Board (which oversees all matters pertaining to programmes, academic and student lifecycle management as well as quality assurance and enhancement).

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance Structure (continued)

The **Executive Committee** comprises the Chief Executive Officer, Deputy Chief Executive Officer, the four Faculty Heads with the Director of Finance, the Head of Academic Quality (with the Registrar, Facilities Manager and Human Resources Manager), as well as other specialist staff, in attendance on an as-needs basis). Its core purposes are to enact the decisions of the Board of Trustees, to manage the Institute's day-to-day operations and to be accountable for the financial management of the Institute. Furthermore, the Executive ensures that an appropriate level of consideration is given to strategic decisions, that there is accountability for those decisions and that effective leadership of, and communication with, staff across the Institute is achieved. The key responsibilities of the Executive are to deliver the strategic and operational plans of the Institute as well as to agree policies and effect implementation to support that delivery.

The **Academic Board** comprises the Chief Executive Officer, Deputy Chief Executive Officer, the four Faculty Heads, the Director of Finance, the Head of Academic Quality and Registrar as well as academic staff, support staff and student representatives. Its core purpose is to act as Metanoia Institute's principal academic authority. The Academic Board guides the Institute's academic development, the setting and maintenance of threshold academic standards and the quality of the student experience, oversees quality assurance and enhancement and determines and authorises curriculum content. The Academic Board is also responsible for the development of the Strategic Plan as regards portfolio, research, learning, teaching and assessment and for overseeing the validation and review of programmes, the admission of students and all areas pertaining to academic delivery and support.

To enable the Executive Committee and Academic Board to carry out these manifold tasks, **seven sub-committees** (Clinical Ethics; Equality and Diversity; Quality and Standards; Learning, Teaching and Enhancement; Joint Staff Student; Research; Research Ethics) have been established and are operating in a deliberative context. Each sub-committee is chaired by a Faculty Head or other senior manager and comprises a broad membership of staff and student representatives that encourages robust and effective ideas-generation and decision-making throughout the Institute.

Committee servicing is jointly managed by the Executive Officer and Academic Quality Manager, with the former responsible for diarising and resourcing committee meetings and overseeing the performance of the secretariat, and the latter responsible for brokering the relationships that exist between Metanoia Institute's various committees and sub-committees and for monitoring actions required by the committees.

Vision

Metanoia Institute's Vision 2020 is to invest in the life of individuals, organisations and communities through excellence in training, practice and research in the psychological therapies.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Mission

Metanoia Institute's Mission is fourfold:

- ◆ to offer high quality humanistic and integrative programmes of study in the professional fields of counselling, psychotherapy, counselling psychology and supervision through the provision of a wide range of opportunities;
- ◆ to support research in the development of professional knowledge;
- ◆ to work closely with relevant professional bodies as well as our partners in the university sector;
- ◆ to provide lower cost counselling and psychotherapy services for the benefit of the general public.

Metanoia Institute's Strategic Aims support the pursuit of the Vision and Mission as follows:

- ◆ to offer teaching, training and lifelong learning of the highest quality;
- ◆ to provide students with a theoretical and practical framework on which to base a professional and ethical practice in their chosen area of work;
- ◆ to enhance the Institute's reputation for excellence in practice-based research and scholarship;
- ◆ to offer practitioner training within a supportive and inclusive environment;
- ◆ to provide accessible and effective educational and clinical services to the wider community;
- ◆ to develop a research active culture within each Faculty.

Strategic Aims

Metanoia Institute's decision to work towards Degree Awarding Powers (DAPs) is a collective reflection of the aspirations of our Board of Trustees, Executive, Administration, Support Staff and the Student Body. The strategic aim of the organisation is to consolidate the Institute's position in Higher Education by attaining DAPs, potentially leading to University Title.

Reasons for Seeking Degree Awarding Powers

Metanoia Institute is a mature institution, having been engaged in the development, delivery and assessment of higher education programmes since 1984.

Four of the Institute's programmes (MSc Gestalt Psychotherapy, MSc Integrative Psychotherapy, MSc Transactional Analysis Psychotherapy and BA (Hons) Person-Centred Counselling) having been in continuous delivery for more than twenty years, and the DPsych is currently recruiting its twenty first cohort.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Reasons for Seeking Degree Awarding Powers (continued)

Metanoia Institute is confident that it has the capacity to act as an autonomous academic community, to determine the awards that it offers, to set and maintain the academic standards of those awards and to assure and enhance the quality of the student experience in delivering those awards.

Management Structure

Metanoia Institute's Chief Executive Officer is appointed by, and responsible to the Board of Trustees for implementing the decisions of the Board of Trustees, for the day-to-day executive direction and management of the Institute and for the leadership of all staff.

The Chief Executive Officer line manages the Deputy Chief Executive Officer, all four Faculty Heads, Director of Finance, Head of Academic Quality (the Executive Team) as well as the Facilities Manager and the Executive Officer. With the addition of the Human Resources Manager, this group comprises the Institute's Senior Management Team.

Each Faculty Head has operational management responsibility for their Faculty, a specific portion of the academic portfolio, as well as line management responsibility, for a portion of the complement of academic staff, administration and support staff.

Details of staff numbers are provided in note 3 of these financial statements.

Academic Provision

Metanoia Institute's provision is grouped into four distinct faculties:

- ◆ The Faculty of Psychotherapy & Counselling;
- ◆ The Faculty of Post-Qualification & Professional Doctorates;
- ◆ The Faculty of Research Strategy & Innovation;
- ◆ The Faculty of Applied Social and Organisational Sciences.

The **Faculty of Psychotherapy and Counselling** oversees the work of staff and students involved in eight 'core' programmes:

- ◆ Bachelor of Arts (Honours) Person-Centred Counselling;
- ◆ Bachelor of Science (Honours) Humanistic Counselling;
- ◆ Bachelor of Science (Honours) Reflective Therapeutic Practice;
- ◆ Master of Science Contemporary Person-Centred Psychotherapy and Applications;
- ◆ Master of Science Gestalt Psychotherapy;
- ◆ Master of Science Humanistic Psychotherapy;
- ◆ Master of Science Integrative Psychotherapy;
- ◆ Master of Science Transactional Analysis Psychotherapy.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

The **Faculty of Post-Qualification & Professional Doctorates** oversees the work of staff and students involved in the following four programmes as well as other Doctoral developments:

- ◆ The Doctorate in Psychotherapy by Professional Studies;
- ◆ The Doctorate in Psychotherapy by Public Works;
- ◆ The Doctorate in Counselling Psychology and Psychotherapy by Professional Studies;
- ◆ Doctor of Philosophy.

The **Faculty of Research Strategy and Innovation** oversees the work of staff and students involved in research across the Institute and with external partners in the following ways:

- ◆ Research Centre: faculty-wide research activities and events;
- ◆ Research projects with other universities and research partners;
- ◆ Research Clinic and the development of research practice;
- ◆ The Ealing Borough Consortium;
- ◆ Maximise Research and Research Income.

The **Faculty of Applied Social & Organisational Sciences** oversees the work of staff and students involved in the following programmes and counselling services:

- ◆ Master of Arts Therapeutic Fostering and Adoption;
- ◆ Master of Science Creative Writing for Therapeutic Purposes;
- ◆ Post Qualification Conversion Diploma from Adult to Adolescent and School Counselling;
- ◆ Post Qualification, IAPT licensing, Practitioner and Supervisor Training Counselling for Depression;
- ◆ Ethos Schools Based Humanistic Counselling Randomised Controlled Trial;
- ◆ The Metanoia Schools Counselling Service.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Academic Provision (continued)

In addition to the higher education provision listed above, Metanoia Institute continues to offer professional clinical diploma routes for those students who wish to register as practitioners but who do not seek an academic qualification. These programmes are taught alongside the award-bearing programmes and overseen by the Faculty of Applied Psychotherapy and Counselling:

- ◆ Diploma in Gestalt Psychotherapy;
- ◆ Diploma in Humanistic Counselling;
- ◆ Diploma in Humanistic Psychotherapy;
- ◆ Diploma in Integrative Psychotherapy;
- ◆ Diploma in Person-Centred Counselling;
- ◆ Diploma in Person-Centred Psychotherapy;
- ◆ Diploma in Transactional Analysis Counselling;
- ◆ Diploma in Transactional Analysis Psychotherapy.

Metanoia Institute offers a range of continuing professional development (CPD) courses (ranging from evening workshops to multi-day professional certificates) that are open to students, staff, alumni and independent practitioners.

The student population

Metanoia Institute's student population stood at 1,089 in 2019/20 of whom 179 are enrolled on Doctoral programmes, 154 on taught post-graduate programmes, 321 on taught undergraduate programmes and 435 on professional programmes.

Metanoia Institute recruits both nationally and internationally, with 95% of the Institute's current students coming from the UK, 4% from within the EU and 1% from outside the EU. Within the UK, 57% came from London, 21% from the South-East and 22% from the remainder of the UK.

Metanoia Institute's student body is both atypical and diverse, with a gender ratio of 76% female to 24% male, with an average age of 44 across all programmes. 6.5% of the Institute's students identify as belonging to the Lesbian, Gay, Bisexual, Transsexual, Queer or Intersex (LGBTQI) community, 9.3% identify as coming from a black or minority ethnicity (BME) background, and 6.8% have disclosed a specific disability.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Quality monitoring

Quality monitoring is undertaken via the following:

- ◆ Assessment Boards;
- ◆ Board of Studies;
- ◆ University Validation Bodies (MDX);
- ◆ Accreditation Boards (BPS, BACP, BAC, EAP, HCPC, UKCP);
- ◆ Quality Assurance Agency (QAA);
- ◆ University Annual Monitoring Reports;
- ◆ External Examiner Reports

How our activities deliver public benefit

The Trustees have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to guidance published by the Charity Commission on Public Benefit.

The Trustees and senior management team took account of the public benefit requirements whilst setting the strategic plan. The Trustees and senior management team believe that all of Metanoia Institute's objects are linked to the provision of public benefit.

Examples of public benefit with regard to our educational services include:

- ◆ The provision of a range of training courses in psychological therapy;
- ◆ The provision of a range of optional academic qualifications for students undertaking a first training in psychological therapy from BA (Hons) to Doctoral level;
- ◆ The provision of additional academic qualifications to practitioners qualified in psychological therapy;
- ◆ The provision of a range of workshops suitable for continuing professional development needs;
- ◆ The provision of increased public learning and knowledge about psychological therapy, as a result of research undertaken within the Metanoia Institute; and
- ◆ Counselling within Schools.

A key feature of the Institute's public benefit with regard to educational services is the provision of bursaries. The Trustees believe that students' learning is enhanced in a diverse community and Metanoia students come from a range of ethnic and economic backgrounds.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

How our activities deliver public benefit (continued)

Examples of public benefit with regard to clinical services include:

- ◆ The Metanoia Counselling and Psychotherapy Service (MCPS) provides accessible services to the local community. The growth of the Research Clinic within the Metanoia Counselling and Psychotherapy Service demonstrates the Institute's commitment to the provision of effective psychological therapies. Clients, together with their counsellor/psychotherapist, will complete a number of psychological testing measures on a regular basis which will then be analysed. Examples of measures to be used include Beck's depression inventory. Results of the research will be used to ensure the effectiveness of training and therefore services.
- ◆ The provision of a free assessment to ascertain whether a potential client is suitable for counselling/psychotherapy within MCPS. Previously clients were assessed by telephone, but since the introduction of face-to-face assessment sessions, greater numbers of clients have applied for assessment sessions.
- ◆ The provision of lower cost counselling and psychotherapy services to the general public. Fees are charged on a sliding scale dependent on the client's ability to pay. The minimum fee is £5 per session which is typically 10% of the fee charged by therapists in private practise.
- ◆ The provision of counselling for a period of up to six months. Access to counselling via the local Primary Care Trust is usually restricted to four, six or twelve sessions.
- ◆ The provision of a range of different approaches to counselling and psychotherapy to offer clients a choice of a preferred mode.

Achievements and performance

The principal activity is the provision of training courses in counselling, psychotherapy and counselling psychology and other associated therapies. The Institute also runs a lower cost clinic service. There has been no change in the policies adopted by the Institute to achieve its objectives.

The training is provided using the services, on a part time basis, of qualified trainers in counselling, psychotherapy and counselling psychology. Many students are qualified professionals in the healthcare field. The courses are run on a part-time basis, normally at weekends and lead to a qualification after three or more years. New funding for research via counselling in schools activity also contributed to an increase in income.

Metanoia Institute continued to invest in its rolling programme of repairs and replacements, ensuring that student facilities are maintained to the highest standards.

Premises

Metanoia Institute fully owns its two properties at North Common Road and Gunnersbury Avenue, which were recently valued at approximately £6,000,000.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Fundraising

The Institute does not solicit donations and is not registered with the Funding Regulator. If a donation is received from an individual, the Institute applies GDPR rules.

Trustees Report COVID-19 Response

Activities affected by virus control measures

The Institute responded pro-actively to the control measures required for COVID-19 with the following measures put in place:

- ◆ Knowing that we would not be able to teach face to face, we moved our teaching to live on-line training.
- ◆ All our employees worked from home. We provided those that required equipment with the necessary technology.
- ◆ All scheduled meetings took place on-line. These included internal Board of Trustees, Committee, Executive and Team meetings. Meetings also took place with external organisations on-line.

Both staff and students responded well to our new way of working.

Financial uncertainties, going concern basis

We have invested in technology for our staff to work from home, but this has been at a cost of £8,202. All off the technology purchased will be returned to the organisation when staff can return to work.

We have received reduced forecast student fees for the year to the amount of £43,000, but we actively informed students that they could defer their fees if they were facing financial difficulties due to the pandemic. We worked with them to devise extended payment plans, some of which extend into the 2020/21 financial year and beyond.

Our reserves are currently £1,749,268. We have revised our reserves policy from £900,000 to £950,000 but this does not relate to increase costs due to the pandemic, it is due to restructuring taking place within the organisation.

We have incorporated £37,000 within the 2020/21 budget to pay for the hire of room rental at another organisation as due to social distancing measures we are limited in the amount face to face teaching we can carry out within our own premises.

We do not have a pension liability. We do have funds invested within a high street bank. Interest rates have decreased, and we have adjusted the forecast interest accordingly, but the decrease was minimal.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees Report COVID-19 Response (continued)

Financial uncertainties, going concern basis (continued)

After making appropriate enquiries, including student enrolment numbers for 2020/21 academic year the Board of Trustees considers that the organisation has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The risk we face is whether our students or prospective students are content with being taught through a mixture of blended learning. To mitigate risks we implemented a survey asking current students' opinion on how Metanoia Institute responded to the COVID-19 situation and their views on moving forward into the new academic year. Various questions were asked, but when asked if Metanoia had been supportive the survey returned a score of 4.24 based on a score of 1 to 5 (1 being very poor and 5 being very supportive. 97% of the students that responded to the survey, agreed that facilitating live teaching and learning was the best option.

FUTURE PLANS

Similar to other higher education institutions, we are faced with the complex task of ensuring that our students receive the best possible training experience, whilst taking all appropriate measures to prevent the continued transmission of the COVID-19 virus in the community. Based on the review of the student survey, the requirements and guidance issued by the OfS and HEA, and by keeping actively in touch with developments across the sector, the following plans have been put in place.

A Metanoia Institute 'dual delivery' model, guided by two equal principles:

- ◆ Safety and wellbeing of the entire Metanoia Institute community
- ◆ Provision of learning and teaching excellence on all programmes

The dual delivery approach will take a 'best of both worlds' position. Some learning opportunities will be offered to all students in a face-to-face format, with a spine of online teaching taking place via Zoom and through enhanced online activities. The dual delivery approach allows for flexibility in terms of respecting student choice, plus the potential for agility in the light of changing circumstances.

It will provide sufficient face-to-face teaching opportunities to ensure the continuity of the fundamentals of Metanoia Institute training; those being teaching which fosters relational learning and requires interpersonal, experiential opportunities. However, high-quality teaching and learning will also be offered online, producing a blended offer.

Operational arrangements:

As we are unable to comply fully with social distancing measures at our own premises, we have rented space at Middlesex University. This will allow us to comply with social distance measures when providing face to face learning.

FUTURE PLANS (continued)

Operational arrangements: (continued)

To function within the principle of safety and wellbeing in our dual delivery model, the following operational measures will apply:

- ◆ When on premises, full safety precautions and resources will be mandatory (hand sanitiser, social distancing, self-reporting of symptoms, etc).
- ◆ All staff and students will need to provide personal contact details to enable 'track-and-trace' to operate.
- ◆ Students and staff should only attend on premises if they are feeling well and all those in their immediate household are well.
- ◆ Any person attending a teaching event on premises must leave immediately if they experience any symptoms of being unwell or related to COVID-19 (raised temperature, sore throat, cough, loss of sense of taste/smell).
- ◆ Students must inform their tutor / Academic Co-ordinator of their intention to either attend in person or study remotely, ideally no less than 24 hours prior to the timetabled teaching event.

These operational arrangements demonstrate to students and staff that we are fully guided by the principle of safety and wellbeing.

In the event of any local or national lock down we will revert to on-line teaching and students and staff have been made aware of this.

Phased Return to Work

We also carried out a staff survey asking staff their views on returning to work. The survey produced a mixture of views. Some staff are concerned about travelling, their safety and wellbeing once they are on our premises and some staff have no concerns. We feel it is vital that we consider our individual staff needs, and their concerns are addressed in planning our return to work. As a result of this and from conversations with varying groups of staff we will return to work gradually. This will allow us to test health and safety measures in practice and ensure we can work with larger numbers before encouraging more of our workforce back. We will also be flexible with working hours and staggered start and end times to the working day.

At the time of writing this report we have had to revert to on-line live teaching only. This is due to the pandemic situation. The plans outlined above will be used when COVID-19 restrictions are eased.

FINANCIAL REVIEW

Financial performance

The incoming resources for the year amounted to £4,461,830 (2019: £3,788,392). This represents an increase of £673,438 on the previous year.

Expenditure for the year amounted to £4,312,678 (2019: £3,674,916), an increase of £637,762. This increase in expenditure was mainly attributable to increased investment in professional staff including an appointment of a Deputy Chief Executive Officer and an improvement in technical support both in systems and hardware.

As a result of the above, net income for the year was £149,152 (2019: £113,476).

Reserves policy

The Trustees define free reserves in accordance with Charity Commission guidelines in that they are generally unrestricted funds less tangible fixed assets, net of any related loans and excluding designated funds.

The Trustees have reviewed the Institute's reserves policy and have decided to set reserves at the equivalent of three months operating expenses, which approximates to £950,000. (2019: £900,000)

At 31 August 2020, free reserves amounted to £1,749,268 (2019: £1,526,514) which is above the target. Future plans include significant capital investment within the next two years and reserves are being held above target to achieve this plan.

Trustees have agreed to review the level of reserves annually to ensure the appropriateness of the agreed level of reserves and any action required to adjust funds held in reserves.

PLANS FOR THE FUTURE

The Institute has future plans in relation to COVID 19 which can be found in an earlier section of this report within the Trustees Report COVID 19 Response. The Institute will continue to work towards gaining its own degree awarding powers.

RISK MANAGEMENT

The Trustees have formally re-assessed and reviewed the major risks to which the Institute is exposed to. Particular attention has been paid to the risks associated with the economic climate. The effectiveness of control systems in mitigating the Institute's exposure to these risks have also been assessed. The key risks to the Institute, and measures to mitigate these risks, are listed below:

- ◆ Student numbers – The Institute mitigates the risk of not achieving the desired number of students by planning in advance, particularly as part of the budget process, and ensuring continued retention of students.
- ◆ Reputation – The Institute maintains quality and standards and ensures compliance in all areas, whilst also ensuring student involvement and engagement.

RISK MANAGEMENT (continued)

- ♦ Technology – The Institute ensures systems are up to date, encrypted and appropriate for business purposes and processes.

Risk assessment continues to be an ongoing process at the Institute.

Trustees' Report approved by the Trustees on 24 November 2020 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'R. Parker', written in a cursive style.

Prof. R. Parker
Chairman

Statement of Corporate Governance and Internal Control Year to 31 August 2020

The following statement is provided to enable readers of the annual report and financial statements of Metanoia Institute to obtain a better understanding of its governance and legal structure. The statement covers the period from 1 September 2019 to 31 August 2020 and up to the date of the approval of the annual report and financial statements.

Metanoia Institute endeavours to conduct its business;

1. Having due regard to the UK Corporate Governance Code 2018 in so far as it is applicable to the Higher Education Sector.
2. Complying with Office for Students on-going conditions or regulations and terms of conditions of funding as well as other regulatory responsibilities.

We have adopted the UK Corporate Governance Code. We have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code that we consider relevant to the Higher Education Sector.

The Board of Trustees recognises that as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

Legal Status

The Metanoia Institute is a Registered Charity and a Private Limited Company by guarantee without share capital use of limited exemption.

The Board of Trustees confirm that they have due regard for the Charity Commission's guidance on public benefit and that the required statement appears elsewhere within these financial statements.

The Board of Trustees

The members who served on the Board of Trustees during the year and up to the date of signature of this report are listed below.

Name	Category of Membership	Date First Appointed	Date of Reappointment/Retirement	Attendance 1/9/19-31/8/20
Professor Ronald Parker	Chair	20/11/2000	Reappointed: 26/11/2019	4 of 4
Jeffrey White	Vice-Chair, Trustee	29/04/2008	Needs to be reappointed at next AGM	4 of 4
Jerry Arnott	Trustee	29/04/2014	Reappointed: 05/02/2019	3 of 4
Helen Coleman	Trustee	26/11/2019	N/A	4 of 4
Kelvin Jones	Trustee	26/11/2019	N/A	4 of 4
Catriona McKay	Trustee	29/04/2014	Retired: 28/07/2020	4 of 4
Dotun Olaleye	Trustee	10/05/2016	Needs to be reappointed at next AGM	2 of 4
<u>In Attendance:</u>				
Andrew Schiller	Student Representative	16/07/2019	Retired: 28/07/2020	2 of 3
Professor Sheila Owen-Jones	Chief Executive Officer	N/A	N/A	N/A

Statement of Corporate Governance and Internal Control Year to 31 August 2020

<u>Audit and Risk Committee</u>		
Name	Category of Membership	Term
TBC	Chair	3 years
Helen Coleman	Trustee	3 years
Kelvin Jones	Trustee	3 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Professor Carrie Weston	Deputy Chief Executive Officer	N/A

The Audit and Risk Committee was formed in May 2020 and will undertake its first meeting in February 2021.

<u>Finance Committee</u>		
Name	Category of Membership	Term
Jerry Arnott	Chair	4 years
Dotun Olaleye	Trustee	4 years
Jeffrey White	Trustee	4 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A
Anita Faherty	Director of Finance	N/A

<u>Staffing and Remuneration Committee</u>		
Name	Category of Membership	Term
Catriona McKay	Chair	Retired: 28/07/2020
Jerry Arnott	Trustee	4 years
Jeffrey White	Trustee	4 years
<u>In Attendance:</u>		
Professor Sheila Owen-Jones	Chief Executive Officer	N/A

Board of Trustees' interests

The Board of Trustees are shown above an except for any instance mentioned above have served throughout the year. None of the Board of Trustees have any interests within the company.

The Secretary to the Board of Trustees maintains a register of financial and personal interest of the members of the Board of Trustees and senior post holders. This can be obtained by contacting douglas.bertram@metanoia.ac.uk

Statement of trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 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 the Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Statement of trustees' responsibilities (continued)

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. 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

Meeting Procedures

Formal agendas, papers and reports are supplied to the Board of Trustees in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. Reports include overall financial performance of the organisation together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety issues. The Board of Trustees met 4 times in 2019/20.

The Board of Trustees receives advice from on the conduct of its business from three committees. Each committee has its own terms of reference which have been approved by the Board of Trustees. This committees are, Finance, Staffing and Audit and Risk. The Audit and Risk Committee was formed in May 2020, an independent Chair has now been appointed and the first meeting is due to take place in February 2021.

Metanoia Institute has a strong and independent non-executive element and no individual or group dominates its decision-making process. The organisation considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman and Accounting Officer are separate.

Full minutes of all meetings, except those deemed to be confidential by the Board of Trustees, are published on the organisation website.

Appointment to the Board of Trustees

Appointment to the Board of Trustees are matters for consideration of the Board of Trustees as a whole.

Board of Trustees Performance

The Board of Trustees have made a strong contribution to the improvements made in 2019/20 through the setting of challenging targets with regular scrutiny of performance. There is strong performance management at Board meetings. The Board of Trustees provide robust scrutiny and challenge. Trustees are pro-active in their oversight of the organisation and are involved in the planning and discharging of Board business.

Committees

Audit and Risk Committee

The Audit and Risk Sub-Committee is responsible to the Board of Trustees in discharging its responsibilities for monitoring the integrity of the Institute's financial statements, the effectiveness of financial controls with regard to internal risk assessment and the performance and objectivity of external auditors. The Committee was formed in May 2020, and independent Chair has now been appointed and the first meeting is due to take place in February 2021. The Committee is responsible for the following:

- ◆ To appoint external auditors and agree the audit fee, meet with the external auditors to discuss the scope and nature of the audit and to discuss the findings included within the management letter and management responses.
- ◆ To satisfy itself that all public funds received by the Institute are managed in line with regularity, propriety, and value for money.
- ◆ To satisfy itself that satisfactory arrangements are in place to promote best value, and to monitor other performance as shall be deemed to be reliable and appropriate measures of effectiveness.

Finance Committee

The Finance Committee oversees Metanoia Institute's financial reporting process, including the internal control structure and procedures for financial reporting and monitoring the integrity and appropriateness of the financial statements. The Committee monitors and reviews projected levels of income and expenditure across each Faculty and the whole Institute. It ensures an effective framework is in place to review performance against budget and to recommend improvements to accounting policies, systems, and procedures.

Staffing and Remuneration Committee

The Staffing Committee oversees and supports policies and practices in relation to Human Resources functions and to make proposals to the Board of Trustees for implementation. The Committee also report on Health and Safety issues. Terms of Reference of the Committees can be found on our website.

Internal Control

Scope of responsibility

The Board of Trustees is ultimately responsible for the organisations system of internal control and for reviewing its effectiveness. However, 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 Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure and can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of organisation policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the organisation for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the organisation is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there was a formal on-going process for identifying, evaluating and managing the

Institutes significant risks that had been in place for the year ended 31 August 2020 an up to the date of approval of the annual report and financial statements.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. It includes:

- ◆ comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Trustees
- ◆ regular reviews by the Board of Trustees of periodic and annual financial reports which indicate financial performance against forecasts
- ◆ setting targets to measure financial performance
- ◆ the adoption of formal project management disciplines, where appropriate.

Review of effectiveness

As the Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. The Chief Executive Officer review of the effectiveness of the system of internal control is informed by:

- ◆ the work of the external auditors;
- ◆ the work of the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- ◆ comments made by the organisation's financial statements and regularity auditors in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments. The senior management team and the Audit and Risk Committees also receive regular reports, which include recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board of Trustees agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its July 2020 meeting, the Board of Trustees, carried out the annual assessment for the year ended 31 August 2020 by considering documentation from the senior management team, and taking account of events since 31 August 2019.

Based on above and reports by the Chief Executive Officer, the Board of Trustees is of the opinion that the organisation has an adequate and effective framework for governance, risk management and control to manage the achievements of the organisation's objectives for the year ended 31 August 2020 and it has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the safeguarding of their assets".

Regularity, propriety, and compliance

The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

We confirm, on behalf of the organisation, that after due enquiry and to the best of its knowledge, the Board of Trustees believes it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisations financial regulations. As part of our consideration we have had due regard to our financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement these will be notified to the Office for Students.

Statement of Corporate Governance and Internal Control Year to 31 August 2020

Going Concern

Details on Board's going concern assessment are set out on page 31.

Approved by order of the Board of Trustees and signed on its behalf by:



R. Parker

Chair



S. Owen-Jones

Chief Executive Officer

24 November 2020

Independent auditor's report to the members of The Metanoia Institute

Opinion

We have audited the financial statements of Metanoia Institute (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities (including the statement of changes in reserves), the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its income and expenditure, changes in reserves and cash flows for the year then ended;
- ◆ have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006;
- ◆ where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ◆ where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- ◆ meet the requirements of the Office for Student's Accounts Direction 2019/20.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction 2019/20 requires us to report to you if, in our opinion:

- ◆ the charitable company's grant and fee income, as disclosed in note 1 to these Financial Statements has been materially misstated.

Basis for opinion

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

Conclusions relating to going concern

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

- ◆ the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the Trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, 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' report.

Matters on which we are required to report by exception (continued)

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
- ◆ the financial statements are not in agreement with the accounting records; 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.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report Year to 31 August 2020

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.



23 December 2020
Shachi Blakemore, Senior Statutory Auditor
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure statement) Year to 31 August 2020
(which includes statement of changes in reserves)

	Notes	2020 Total £	2019 Total £
Income from:			
Charitable activities	1		
. Fees from educational services		4,203,774	3,618,281
. Fees from clinical services		243,176	160,008
Other trading activities			
. Letting income		360	511
Interest receivable		14,520	9,592
Total income		4,461,830	3,788,392
Expenditure on:			
Charitable activities			
. Educational services		3,836,677	3,313,633
. Clinical services		476,001	361,283
Total expenditure	5	4,312,678	3,674,916
Statement of changes in reserves:			
Net income and net movement in funds for the year	2	149,152	113,476
Reconciliation of funds:			
Balance brought forward at 1 September		4,142,629	4,029,153
Balance carried forward at 31 August		4,291,781	4,142,629

All amounts are derived from continuing activities. Restricted income for 2020 amounted to £99,552, all of which was spent by the year end. These funds relate to grants received within the year. All remaining funds are unrestricted.

All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 34 to 40 form part of these financial statements.

Balance sheet 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	6		2,384,412		2,458,013
Current assets					
Debtors	7	262,247		180,274	
Cash at bank and in hand		1,582,807		1,945,831	
Short-term deposits		1,520,489		1,009,261	
		3,365,543		3,135,366	
Creditors: amounts falling due within one year	8	(1,458,173)		(1,450,750)	
Net current assets			1,907,369		1,684,616
Total net assets			4,291,781		4,142,629
The funds of the charity:					
Unrestricted funds:					
. Designated funds			2,542,513		2,616,115
. General funds			1,749,268		1,526,514
Restricted funds			—		—
	11		4,291,781		4,142,629

Approved by the Trustees and authorised and signed on their behalf by:



R. Parker
Chair of Trustees



S. Owen-Jones
Accountable Officer

Date: 24 November 2020

The notes on pages 34 to 40 form part of these financial statements

The Metanoia Institute
Company Registration Number 02918520 (England and Wales)

Statement of cash flows 31 August 2020

	Notes	2020 £	2019 £
Cash inflow from operating activities:			
Net cash provided by operating activities	A	147,350	233,847
Cash outflow from investing activities:			
Interest from investments		14,520	9,592
Purchase of tangible fixed assets		(13,666)	(19,025)
Net cash used in investing activities		854	(9,433)
Change in cash and cash equivalents in the year		148,204	224,414
Cash and cash equivalents at 1 September	B	2,955,092	2,730,678
Cash and cash equivalents at 31 August	B	3,103,296	2,955,092

Notes to the statement of cash flows for the year to 31 August:

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	149,152	113,476
Adjustments for:		
Depreciation charge	87,267	70,581
Interest from investments	(14,520)	(9,592)
Decrease in debtors	(81,973)	(69,654)
Decrease in creditors	7,424	129,036
Net cash provided by operating activities	147,350	233,847

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,582,807	1,945,831
Short-term deposits	1,520,489	1,009,261
Total cash and cash equivalents	3,103,296	2,955,092

Basis of accounting

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2020 and are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Office for Students' Accounts Direction 2019/20.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ the allocation of support costs to charitable activities.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the Institute's activities, beneficiaries, funders, suppliers and the wider economy.'

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and in making their assessment have given consideration to the effects of the pandemic on the charity and its operations.'

Assessment of going concern (continued)

The Board of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Board are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The more significant areas of judgement that affect items in the financial statements are detailed above.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year would be disclosed as short term deposits. Cash placed on deposit for more than one year would be disclosed as a fixed asset investment.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors are recognised at the amount the charity anticipates it will pay to settle the debt.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are used for specific purposes as agreed by the Trustees. Expenditure which meets these criteria is charged to the funds.

Restricted funds are used for specific purposes as stated by the grantor. Expenditure which meet these criteria is charged to the fund. The Institute currently holds no restricted funds.

Income

Income includes course fees, clinic charges, grants and investment income. Income is recognised in the year in which the charity is entitled to receipt, it is probable the charity will receive the income and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled or where the funder has specified that the income is to be expended in a future accounting period.

Expenditure

All expenditure is accounted for on an accruals basis and is stated inclusive of irrecoverable VAT.

Direct costs comprise direct costs incurred in carrying out the charitable activities of the organisation including direct staff costs and directly attributable running costs.

Expenditure which cannot be directly attributed to the relevant department is apportioned on the best estimates of each department's usage. Support costs are apportioned on the basis of time spent. Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the statement of financial activities.

Governance costs are costs associated with governing the charity including strategic planning and compliance with constitutional and statutory requirements. They are included in charitable activities within support costs and allocated to charitable activities on the basis of time spent.

Fixed assets

Fixed assets costing £2,000 or more are capitalised at cost.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

♦ Freehold land	Not depreciated
♦ Freehold buildings	2% to 10% straight line
♦ Furniture, fixture and equipment	10% to 33.3% straight line

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1 Grant and fee income

	2020 £	2019 £
Grant income from the OfS	34,647	—
Grant income from other bodies*	129,220	56,025
Fee income for taught awards	2,468,997	2,130,627
Fee income for research awards		
Fee income from non-qualifying courses	1,467,505	1,292,901
Clinic Client Income	113,957	103,418
School Based Research Income	194,830	134,654
Other Income	52,674	70,766
Total grant and fee income	4,461,830	3,788,391

*The grant income includes £99,552 of restricted income in 2020, all of which was fully spent in the year.

2 Net movement in funds

The net movement in funds is stated after charging:

	2020 £	2019 £
Depreciation	87,266	70,582
Auditor's remuneration – statutory audit	11,880	10,476
Auditor's remuneration – other services	2,150	—
Operating lease costs	10,464	10,464

3 Staff costs and remuneration of key management personnel

Full time equivalent employees in the year:

	2020 No.	2019 No.
Educational services	21	27
Clinical services	9	7
Administration and support	27	25
	57	59

Actual employees in the year:

	2020 No.	2019 No.
Educational services	94	103
Clinical services	11	9
Administration and support	32	30
	137	142

3 Staff costs and remuneration of key management personnel (continued)

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,976,203	1,658,663
Social security costs	252,328	198,819
Pension costs	35,853	31,100
	2,264,348	1,888,582
Restructuring Costs	39,092	
Trainers' fees	941,366	907,908
	3,244,842	2,796,490

Staff restructuring costs in the year relating to one person £39,092 (2019: £nil).

The Institute has given regard to the "Guidance on decisions taken about severance payments in HEI's" published by the Committee of University Chairs when determining severance pay.

Employees earning greater than £60,000 during the year on an annualised basis:

	2020 No.	2019 No.
£70,001 - £75,000	—	1
£75,001 - £80,000	1	2
£80,001 - £85,000	2	—
£85,001 - £90,000	—	1
£100,000 - £105,000	1	—
£105,001 - £110,000	—	1
£125,001 - £130,000	1	—
£130,001 - £135,000	1	—
	6	5

Pension contributions in respect of these employees were £10,052 (2019: £4,074).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Trustees, the Chief Executive Officer (CEO), the Deputy Chief Executive Officer, Four Faculty Heads, (2019: four), and the Director of Finance. The total remuneration (including taxable benefits but excluding employers' pension contributions) of the key management personnel for the year was £767,748 (2019: £548,804).

3 Staff costs and remuneration of key management personnel (continued)

Chief Executive Officer Remuneration

	2020 £	2019 £
Basic salary	131,682	109,320
Bonus	500	500
Pension contribution	—	—
	132,182	109,820

The Chief Executive Officer's remuneration shown in year was recommended by the Staff and Remuneration Sub-Committee (SARSC). SARSC determines the salaries and conditions of service of all senior staff, including the Chief Executive Officer and the Executive Team. SARSC forwards their deliberations to the Finance, Audit and Risk Committee (FARSC) who assessed the economic and financial good standing of the Institute, projected future student growth, and academic success. FARSC presents their recommendations to the full Board of Trustees for approval.

Chief Executive's basic salary as a multiple of the median of all staff 2.19 (2019: 2.10)

Chief Executive's total remuneration as a multiple of the median of all staff 2.19 (2019: 2.11)

Trustees were not paid any remuneration, only expenses were reimbursed (see note 4 for details).

4 Trustees' remuneration and reimbursed expenses

One trustee received reimbursement of travel expenses of £421 in the year (2019: three received £2,811). None received remuneration for their services or benefits in either the current or prior year.

The Institute paid £1,726 (2019: £6,413) in relation to trustee indemnity insurance during the year.

5 Analysis of total resources expended

	Staff costs (note 3) £	Other £	Depreciation £	Total 2020 £
Charitable expenditure				
Educational services	2,911,138	838,271	87,267	3,836,676
Clinical services	333,704	142,298	—	476,002
	3,244,842	980,569	87,267	4,312,678

5 Analysis of total resources expended (continued)

	Staff costs (note 3) £	Other £	Depreciation £	Total 2019 £
Charitable expenditure				
Educational services	2,497,416	745,636	70,581	3,313,633
Clinical services	299,074	62,209	—	361,283
	<u>2,796,490</u>	<u>807,845</u>	<u>70,581</u>	<u>3,674,916</u>

5a

	Direct costs £	Support costs (note 5b) £	Total 2020 £
Charitable expenditure			
Educational services	3,194,879	641,797	3,836,676
Clinical services	263,121	212,881	476,002
	<u>3,458,000</u>	<u>854,678</u>	<u>4,312,678</u>

	Direct costs £	Support costs (note 5b) £	Total 2019 £
Charitable expenditure			
Educational services	2,741,175	572,500	3,313,633
Clinical services	166,159	195,082	361,283
	<u>2,907,334</u>	<u>767,582</u>	<u>3,674,916</u>

5b Analysis of support costs

	Total 2020 £	Total 2019 £
Support services		
Rent and rates	16,999	17,179
Heat, light and power	16,818	17,316
Travel and expenses	10,062	24,144
Printing and stationery	33,095	49,737
Property maintenance	52,386	51,388
Other staff costs	20,261	34,643
Validated program costs	313,298	285,857
Library books and journals	32,685	33,343
Computer software	89,638	71,646
Consultancy fees	19,827	1,109
Legal and professional fees	48,558	55,923
QAA registrations	30,419	2,723
General expenses	170,632	122,574
	<u>854,678</u>	<u>767,582</u>

6 Tangible fixed assets

	Freehold land and buildings £	Furniture, fixtures and equipment £	Total 2020 £
Cost			
At 1 September 2019	2,919,369	335,605	3,254,974
Additions	—	13,666	13,666
Disposals	—	(155,672)	(155,672)
At 31 August 2020	<u>2,919,369</u>	<u>193,599</u>	<u>3,112,968</u>
Accumulated depreciation			
At 1 September 2019	584,112	212,849	796,961
Charge for the year	40,908	46,359	87,267
Disposals	—	(155,672)	(155,672)
At 31 August 2020	<u>625,020</u>	<u>103,536</u>	<u>728,556</u>
Net book values			
At 31 August 2020	<u>2,294,349</u>	<u>90,063</u>	<u>2,384,412</u>
At 31 August 2019	<u>2,335,257</u>	<u>122,756</u>	<u>2,458,013</u>

7 Debtors

	2020 £	2019 £
Fee debtors	167,651	44,907
Prepayments and accrued income	94,596	135,367
	<u>262,247</u>	<u>180,274</u>

There were no fee debtors which relate to courses straddling two academic years (2019: £nil).

8 Creditors: Amounts falling due within one year

	2020 £	2019 £
Deferred income	1,255,733	1,112,008
Trade creditors	28,956	200,191
Other taxes and social security costs	107,363	67,004
Accruals	66,121	71,547
	<u>1,458,173</u>	<u>1,450,750</u>

Deferred income relates to fee and training income received in advance for the following academic year.

	2020 £	2019 £
Balance as at 1 September	1,112,008	1,067,945
Amount released to income	(1,112,008)	(1,067,945)
Amount deferred in year	1,255,733	1,112,008
Balance as at 31 August	<u>1,255,733</u>	<u>1,112,008</u>

9 Members' liability

The Metanoia Institute is a company limited by guarantee and has no share capital. In the event of the company being wound up, the liability is limited to £1 per member.

10 Operating leases

The charity had total future minimum commitments in respect to non-cancellable operating leases at 31 August as follows:

Equipment	2020 £	2019 £
Within one year	10,464	10,464
In two to five years	20,928	31,392
	31,392	41,856

11 Movement in funds

	At 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Total 2020 £
Unrestricted					
General	1,526,514	4,333,140	(4,096,721)	(13,666)	1,749,267
Designated					
. Bursary	—	29,138	(29,138)	—	—
. Redevelopment fund	158,102	—	—	—	158,102
. Fixed assets fund	2,458,013	—	(87,267)	13,666	2,384,412
	4,142,629	4,362,278	(4,213,126)	—	4,291,781
Restricted	—	99,552	(99,552)	—	—
	4,142,629	4,461,830	(4,312,678)	—	4,291,781

Restricted funds relate to grants received for AMORAY, HEROINES and TARCT projects.

	At 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £	Total 2019 £
Unrestricted					
General	1,331,482	3,788,392	(3,574,335)	(19,025)	1,526,514
Designated					
. Bursary	—	25,600	(25,600)	—	—
. Pension provision	30,000	—	(30,000)	—	—
. Redevelopment fund	158,102	—	—	—	158,102
. Fixed assets fund	2,509,569	—	(70,581)	19,025	2,458,013
	4,029,153	3,813,992	(3,700,516)	—	4,142,629

- ♦ The bursary fund represents funds set aside for the purpose of providing bursaries.
- ♦ The pension provision represented funds set aside for the future provision of pensions to staff and has been fully expended in the year.
- ♦ The redevelopment fund represents a legacy by Nina Joy Miller and are funds set aside for future academic and structural redevelopment of the Institute.

11 Movement in funds (continued)

- ◆ The fixed asset fund represents the net book value of the Institute's tangible fixed assets.

12 Related Party Transactions

Other than those disclosed in note 4 to the accounts the Institute did not conduct any related party transactions in the year'.

Detailed expenditure account 31 August 2020**DRAFT**

This page does not form part of the financial statements

	2020 £	2020 £	2019 £	2019 £
Expenditure				
Educational services:				
Salaries and wages	1,712,989		1,393,180	
Trainers' fees	932,301		900,785	
National Insurance	226,611		176,047	
Pension costs	31,371		27,403	
Staff recruitment and training	22,442		40,900	
External examiners fees	34,943		—	
Bursaries	29,137		25,600	
Validation fees	313,298		285,857	
Conference and courses	500		4,798	
Premises and maintenance	81,090		75,199	
Printing and stationery	68,211		77,823	
Depreciation	87,267		70,582	
Travel and subsistence	12,046		27,560	
Consultancy	19,827		—	
Library books and journals	40,669		33,343	
Rent and room hire	7,695		17,019	
Computer software	93,316		75,545	
Sundry	9,477		3,293	
Catering	5,008		11,989	
Legal and professional	20,451		18,473	
QAA/OfS registrations	30,418		2,723	
Advertising and marketing	11,267		5,178	
Committee costs	2,871		4,847	
Indemnity insurance	1,727		6,413	
Bad debts written off	3,156		3,063	
Auditor's remuneration	11,880		10,476	
Bank charges	26,709		15,537	
	3,836,677			3,313,633
Clinical services:				
Salaries and wages	302,306		265,482	
Trainers' fees	9,065		7,123	
National Insurance	25,717		22,772	
Pension costs	5,681		3,697	
Research costs	—		7,113	
Research partner fees	58,467			
Establishment costs	39,067		39,601	
Compliance (DBS) checks	4,093		7,276	
Consultancy Fee	—		1,109	
Sundry	139		317	
Computer support costs	29,218		4,081	
Conferences and courses	1,018		1,803	
Travel and subsistence	1,230		909	
		476,001		361,283
Total resources expended		4,312,678		3,674,916

The Trustees
The Metanoia Institute
13 North Common Road
Ealing
London
W5 2QB

23 December 2020

Our ref M0234/SB/DW

Ladies and Gentlemen

Post-Audit Report – Year ended 31 August 2020

The purpose of this letter is to bring to your attention the findings from our recent audit of the financial statements of The Metanoia Institute for the year ended 31 August 2020. We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

1. Purpose of the audit

Our work during the audit was performed with a view to expressing an opinion on the financial statements for the year ended 31 August 2020 and other matters required by legislation.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your system of internal control.

The matters being reported are limited to those that were identified during the audit and that we conclude are of sufficient importance to merit being reported to those charged with governance.

2. Audit progress

We are pleased to report that the audit of the financial statements, from our perspective went well and in accordance with the agreed timetable, despite being conducted remotely. We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Sheila Owen-Jones, Anita Faherty, Helen Senay and Nadia Khan.

3. Annual report and financial statements' format

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102). There are no significant changes to the format of the financial statements this year, but additional disclosures and content have been included detailing the assessment of the impact of Coronavirus on the Institute. Details included within the financial statements are as advised by the Charities SORP Committee in their guidance document (<https://www.charitysorp.org/about-the-sorp/covid-19/>) issued in March 2020 following the lockdown.

Furthermore, this is the second year that the Institute's financial statements have needed to comply with the Office for Students' Accounts Direction. The 2019/20 version of this guidance necessitated the addition of new disclosure in the financial statements as follows:

- A statement of internal control and corporate governance;
- A 'Grant and fee income' note along with a new confirmation in our audit report reflecting that we have considered whether this is materially misstated.

We confirm that we have reviewed the statement of internal control and corporate governance against the requirements detailed in the Accounts Direction, and have concluded that it is compliant. We confirm also that we have undertaken appropriate audit procedures over the new grant and fee income note and nothing has come to our attention to suggest that this is materially misstated.

4. Auditors report

We do not propose any modifications to our audit opinion and, therefore, we intend to issue an unqualified opinion in our auditor's report. The wording of our auditor's report is unchanged from last year bar the one new confirmation around the grant and fee income note as detailed in point 3.

5. Adjustments made during the audit

Other than presentational amendments which have no impact on the reported results for the year, there were no adjustments made to the figures presented to us for audit.

6. Unadjusted misstatements

We are pleased to report that we found no non-trivial misstatements during our audit for the period.

7. Accounting policies, accounting estimates and disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the Institute. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the Institute. The accounting policies disclosure this year include more discussion around the effects of the COVID-19 pandemic, in particular the 'Critical accounting estimates and areas of judgement' and 'Going concern' policies.

8. Prior year's post audit-report

We are pleased to report that the matters raised in our report last year have all been resolved satisfactorily.

9. Deficiencies in the accounting and internal control systems

Our work during the audit included an examination of some of the Institute's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 August 2020. We have no significant or other deficiencies to note following our audit work.

10. Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you dated 14 July 2020 confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

11. Current developments

We have attached a summary of recent and ongoing developments in the charity sector in an appendix to this report.

Due to the rapidly evolving impacts of the crisis, including Government responses, we encourage you to refer to our Covid-19 information page (<https://www.buzzacott.co.uk/news/responding-to-the-impact-of-covid-19>) for latest news. When visiting this page you will also be presented with an opportunity to manage the updates you receive from Buzzacott should you wish.

12. Updates, insights and seminars

As part of our commitment to the charity sector, during the year the Charity Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of your charity to our seminars or to add trustees and management to our email distribution lists if this would be welcome.

Conclusion

This report has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. The advice contained herein is based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this report. Should the facts provided to us be incorrect or incomplete or should they change, our advice may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this report.

Buzzacott

If you require any further information or assistance, we shall be very pleased to help you.

We would be pleased to receive your comments and reaction to this letter.

Yours faithfully

A handwritten signature in dark ink that reads "Buzzacott Ltd." with a stylized flourish at the end.

Appendix: Current developments

Regulatory requirements

The Office for Students has recently set out measures to reduce unnecessary burden on universities and other higher education providers. Plans include a cut to registration fees and a review of the National Student Survey in a bid to reduce the level of red tape on an ongoing basis. The Chief Executive of the OfS expects that the Quality Assurance Agency and Higher Education Statistics Agency deliver similar reductions to the statutory fees they charge. Further information can be found at: <https://www.officeforstudents.org.uk/advice-and-guidance/regulation/reducing-regulatory-burden/>

Providers in financial difficulty

The Office for Students has announced new proposals for providers facing the greatest financial risks whereby they need to put formal arrangements in place to protect students in the event they have to close. A new targeted condition of registration is proposed that would allow the regulator to intervene more quickly where providers are at material risk of closure, which has been exacerbated by the coronavirus pandemic. Any new condition would apply in addition to the existing requirements all providers meet on an ongoing basis in order to remain registered with the Office for Students.

Further information can be found at: <https://www.officeforstudents.org.uk/news-blog-and-events/press-and-media/ofs-proposes-tougher-measures-to-protect-students-if-universities-run-into-financial-trouble/>

The Higher Education Code of Governance

The Higher Education Code of Governance was published by the Committee of University Chairs (CUC) in September 2020. It has been developed to support governing bodies in delivering the highest standards of governance by helping to identify the key values and elements that form an effective governance framework. Visible adoption of the Code allows governing bodies to demonstrate leadership and stewardship of their own institutions whilst also providing a level of assurance to key stakeholders such as students and the wider community.

The Code identifies six core values – integrity, sustainability, inclusivity, excellence, innovation and growth and community – which provide an ethical framework for the personal behaviour of governors and boards and are the underlying principles of the Code. A further six elements have been identified that embody these core values and provide the basis for good governance for the sector:

1. Accountability - the governing body is collectively responsible and accountable for institutional activities, approving all final decisions on matters of fundamental concern within its remit.
2. Sustainability - Working with the Executive, the governing body sets the mission, strategic direction, overall aims and values of the institution.
3. Reputation - The governing body safeguards and promotes institutional reputation and autonomy by operating in accordance with the values that underpin this Code.
4. Equality, inclusivity and diversity - The governing body promotes a positive culture which supports ethical behaviour, equality, inclusivity and diversity across the institution.
5. Effectiveness - The governing body ensures that governance structures and processes are robust, effective and agile by scrutinising and evaluating governance performance against this
6. Code.
7. Engagement - Governing bodies understand the various stakeholders of the institution (globally, nationally and locally) and are assured that appropriate and meaningful engagement takes place to allow stakeholder views to be considered in relevant decision-making processes.

The Code is expected to refresh every four years and can be read in full at: <https://www.advance-he.ac.uk/guidance/governance/codes-governance>

Trustees' Annual Report and Accounts

Charities SORP second edition

A new Charities SORP was published in October 2019 incorporating the update bulletins that had previously been issued separately in February 2016 and in October 2018. The full second edition of the SORP can be found at: <http://charitiessorp.org/media/647945/charities-sorp-frs102-2019a.pdf>

Policy and governance

Transparent and accountable governance

In June 2020, the Charity Commission issued an alert for charities emphasising the importance of transparent and accountable governance. This alert was sent to trustees of large charities with complex governance and management structures that are in a service-providing industry (e.g. health, education, disaster relief etc).

The alert was prompted following a Charity Commission investigation into the Royal National Institute of Blind People (RNIB) which found that some beneficiaries were being placed at undue risk of harm through what it describes as systematic weaknesses at senior levels including having a culture of dismissiveness toward Ofsted or

CQC criticism, inadequate staff training and an overreliance on agency staff leading to poor recruitment practices. The full report can be read at:

<https://www.gov.uk/government/news/rnib-failures-led-to-some-children-in-the-charitys-care-being-harmed-says-watchdog>

As a result of the RNIB investigation, the regulator has provided an alert to remind trustees, senior executives and staff of such charities on the best practice approach to good governance.

Trustees

The role of a trustee is to ensure robust oversight of the charity's operations and structure. Trustees may choose to delegate significant decision-making authority to senior executives and communication needs to be regular and effective. Trustees should also undertake an annual review of the charity's approach to identifying, prioritising and managing risks and establish a timely process for making and handling any complaints against the charity. The alert also suggests that clear lines of responsibility and reporting between all governance and management committees need to be made and that each body has the right mix of skills and is guided by appropriate terms of reference.

Executives

An executive should have effective oversight of the charity's operations and have the confidence to fully disclose any incident to trustees, regulators or agencies on a timely basis. The Charity Commission encourages regular reporting to the Board on significant incidents which should also include a summary of how such incidents are managed and mitigated. Executives also need to provide assurance to trustees on the quality and safety of the charity's activities and need to have confidence in third party suppliers if used on how they carry out their work.

Staff

Service-providing charities make use of front-line staff or volunteers who serve and interact directly with beneficiaries, who are often vulnerable, and it is important that safeguarding responsibilities remain a top governance priority. The alert highlights the following points for charities to consider:

- Establishing safeguarding policies and procedures that all stakeholders follow;
- Ensuring there are skilled, trained staff/volunteers/trustees to protect people;
- Appointing a senior safeguarding lead to help co-ordinate the charity's safeguarding strategy through engagement both internally and with other agencies and partners; and
- Reviewing the charity's safeguarding arrangements on a regular basis.

The Charity Commission's full alert can be read at: <https://www.gov.uk/government/publications/alert-for-charities-the-importance-of-transparent-and-accountable-governance/alert-for-charities-the-importance-of-transparent-and-accountable-governance>

The Charity Commission has undertaken a thematic review of complaints they have received about charities between April and June 2019. During this time, the regulator received 600 reports about charities which fell below the threshold of direct regulatory action where the charity had taken appropriate action already or because they were not serious enough to warrant action. However, an in-depth analysis of 200 of these complaints was carried out and four key themes were identified:

1. Personal connection: People making complaints are usually people who are known to the charity (e.g. a supporter, volunteer, trustee or beneficiary);
2. Accountability: Ensuring stakeholder involvement in decisions a charity makes is important as well as making sure a charity's annual accounts tell a complete and accurate story of the year;
3. Public trust: Transparent decision making and the management of any conflicts of interest is vital and trustees must always act in their charity's best interests; and
4. Tone at the top: How policies and procedures are implemented and monitored are as important as the policy itself and how a charity responds to unexpected situations will ultimately result in how successful a charity is.

The Charity Commission concludes that charities should lead the way in taking public expectations seriously which gives the sector a better chance of flourishing through the retention of the personal, emotive investments people make in them.

The full review can be read at: <https://www.gov.uk/government/publications/every-complaint-matters-a-thematic-review-of-complaints-about-charities/every-complaint-matters-a-thematic-review-of-complaints-about-charities>

External scrutiny benchmark

In conjunction with charities and the accounting profession, the Charity Commission has published an 'External Scrutiny Benchmark' with the aim to help charities meet a minimum standard in their annual accounts. This enables the public to read the accounts with confidence as it will act as a mechanism to check that a minimum standard of work has been undertaken by a charity's auditors or independent examiners. The benchmark helps to facilitate the regulatory case work carried out by the Charity Commission by identifying the external scrutinies that fail to meet the benchmark.

The benchmark comprises 15 basic criteria including whether there is a trustees' report, the inclusion of a correctly worded auditor's report (or independent examiner's report) and checks the accounts add up correctly and whether the accounts are internally consistent (e.g. closing funds on the statement of financial activities being the same as the balance sheet).

The benchmark also refers to a number of commonly missed disclosures with the requirement for the statement of financial activities to incorporate an income and expenditure account and details of related party transactions.

Trustees should use this benchmark tool to perform simple checks on the accounts before approval as this will help ease the Charity Commission's concerns of accounts being inaccurate, out-of-date and not providing the information required to be held accountable to donors, beneficiaries and the general public.

It is important to note though, that although the benchmark covers the vast majority of charities, it does not cover Common Investment Funds, Common Deposit Funds or educational or housing charities that do not prepare their accounts in accordance with the Charities SORP.

A link to the benchmark can be found at: <https://www.gov.uk/government/publications/a-benchmark-for-the-external-scrutiny-of-charity-accounts/a-benchmark-for-the-external-scrutiny-of-charity-accounts>

Charity Governance Code consultation

A consultation on refreshing the Charity Governance Code was launched by its "steering group", made up of ACEVO, the Association of Chairs, the Chartered Governance Institute, NCVO, SCC and WCVA, in November 2019 and came to an end on 28 February 2020. The focus was to seek ways on how to improve awareness and take-up of the Code as it had been estimated that under 50% of charities were using the Code's recommendations in their annual reports.

However, the response to the consultation, published in August 2020, was more positive as from 800 responses, it was found that 90% are either adopting the Code in full or are working toward it and 84% are satisfied with the Code and its principles. The main area of improvement identified by the steering group is to make the Code more relevant for smaller charities but overall, the steering group will take a "refresh only" approach to the Code this year, with the potential for a more radical refresh in three years' time.

Full details of the responses to the consultation can be found at:

<https://www.charitygovernancecode.org/en/about-the-code-1/refreshing-the-charity-governance-code-1.pdf>

Digital resources for charities

In July 2019, the charity Media Trust launched a range of charity specific digital webinars aimed to help charities develop their digital marketing strategy. The series of webinars cover the basics of digital marketing strategy, core content and tactics and information on the channels used through digital marketing. The resources can be accessed via the Media Trust Resource hub at:

<https://mediatrust.org/communications-support/resource-hub/>

The Charity Commission has created a dedicated advice line for charity whistleblowers to help people report any concerns to the regulator. The phone line is operated by the charity 'Protect' which has a team of specialists for when charity workers or volunteers have serious concerns about their charity. This team can be reached at 08000 557214 and each case will be handled by a specific individual who will be on hand with any follow-up discussions as necessary. The Charity Commission has also confirmed that whistleblowing disclosures have more than doubled since 2017; the regulator received 185 disclosures in the year ended 31 March 2019 compared to 101 in the previous year and only 88 in the year ended 31 March 2017 with the most reported issues being safeguarding, governance and fraud/money laundering.

Fraud and cybercrime

The Government has published a comprehensive guide on how charities can protect themselves against fraud and cybercrime. The guide covers all aspects of fraud and cybercrime with useful links to relevant organisations that combat fraud in charities.

The guidance determines eight overarching principles for tackling fraud:

1. Fraud will always happen, even at charities;
2. Threats are constantly changing so it is important for charities to be able to adapt defences quickly;
3. Prevention mechanisms are better than cure;
4. Fraudsters exploit the trust and goodwill of a charity;
5. It is good to discover fraud as this is the first step in fighting fraud;
6. Report all fraud on a timely basis to Action Fraud, the relevant regulator or police;
7. Responses to fraud should be proportionate to the charity's size, activities and fraud risks;
8. Everybody involved in the charity should help fight fraud, especially trustees.

The fraud section of the guidance covers a broad range of issues, including how fraud should be reported if a charity is a victim of fraud, how a charity should protect itself from fraud and example policies on anti-fraud, whistleblowing and investigations.

As an ever evolving threat to all organisations, the guidance on cybercrime covers an array of topics. Of particular significance, the National Cyber Security Centre (NCSC) has produced an electronic learning training package covering top tips for staff that covers four key areas: defence against phishing, passwords, device security and incident reporting. The NCSC has also designed a toolkit specifically for boards to encourage wider discussions throughout the charity which contains information on how to plan a response to a cyber-incident. In the event of

a cybercrime attack, Action Fraud, the national policing lead for fraud, has launched a 24/7 live cyber-attack helpline which is connected with the National Fraud Intelligence Bureau (NFIB).

The detailed guidance can be found at: <https://www.gov.uk/guidance/protect-your-charity-from-fraud>

Compliance

Workplace etiquette

The Equality and Human Rights Commission has recently released guidance on how employers are able to take action to protect working relationships and the culture of organisations. A seven step plan has been recommended:

1. Develop an effective anti-harassment policy
2. Staff engagement
3. Assess and mitigate risks in the workplace
4. Reporting systems
5. Training
6. Handling complaints
7. Sexual harassment and third parties

More information can be found at: <https://www.buzzacott.co.uk/insights/identify-tackle-and-prevent-inappropriate-banter-in-the-workplace>