

# **The Metanoia Institute**

## **Annual Report and Financial Statements**

31 August 2024

Charity Registration Number  
1050175

Company Registration Number  
02918520 (England and Wales)

## Contents

### Reports

Reference and administration details	1
Trustees' report	3
Statement of corporate governance and internal control	14
Independent auditor's report	22

### Financial Statements

Statement of financial activities	27
Balance sheet	28
Statement of cash flows	29
Principal accounting policies	30
Notes to the financial statements	33

## Reference and administrative details Year to 31 August 2024

<b>Trustees</b>	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.
<b>Company secretary</b>	Najaba Riaz (until 05/03/2024) Lauren Phipps (from 15/04/2024)
<b>Chief Executive Officer</b>	Dr Hannah Friend
<b>Director of Finance</b>	Samuel Akinwonmi (Until 13/12/23) Shahzad Asghar (from 20/11/23)
<b>Registered office</b>	13 North Common Road Ealing London W5 2QB
<b>Additional training premises</b>	13 Gunnersbury Avenue Ealing London W5 3XD
<b>Faculty Heads</b>	
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 3<sup>rd</sup> 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 3<sup>rd</sup> Jan 2024) as well as the Facilities Manager (Head of Operations from 1<sup>st</sup> 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 to 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.

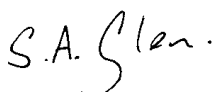
## **RISK MANAGEMENT**

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**

<b>Name</b>	<b>Category of Membership</b>	<b>Term</b>
Professor Sally Glen	Chair	4 years
Kelvin Jones	Trustee	4 years
Neil Laventure	Trustee	4 years
<b><u>In Attendance</u></b>		
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**

<b>Name</b>	<b>Start Date</b>	<b>Leaving Date</b>
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

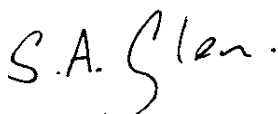
The organisation has considered its responsibility to notify the Office for Students of material irregularity, impropriety and non-compliance with Office for Students terms and conditions of funding.

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

**Use of our report**

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



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 £
<b>Income from:</b>							
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
<b>Total Income</b>	1	<b>93,418</b>	<b>5,870,319</b>	<b>5,963,737</b>	<b>215,063</b>	<b>5,743,271</b>	<b>5,958,334</b>
<b>Expenditure on:</b>							
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
<b>Total Expenditure</b>	5	<b>94,944</b>	<b>5,739,289</b>	<b>5,834,233</b>	<b>188,655</b>	<b>5,528,279</b>	<b>5,716,934</b>
<b>Statement of changes in reserves:</b>							
Net income (deficit) and net movement in funds for the year	2	(1,526)	131,030	129,504	26,408	214,992	241,400
<b>Reconciliation in funds:</b>							
Total Funds brought forward 1 September		26,408	4,721,188	4,747,596	—	4,506,196	4,506,196
Total Funds carried forward 31 August		24,882	4,852,218	4,877,100	26,408	4,721,188	4,747,596

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

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 £
<b>Cash (used in) provided by from operating activities:</b>			
Net cash (used in) provided by operating activities	A	<b>(51,741)</b>	560,959
<b>Cash outflow from investing activities:</b>			
Interest from investments		<b>121,572</b>	49,964
Purchase of tangible fixed assets		<b>(6,805)</b>	(59,762)
<b>Net cash provided by (used in) investing activities</b>		<b>114,767</b>	(9,798)
<b>Change in cash and cash equivalents in the year</b>		<b>63,026</b>	551,161
<b>Cash and cash equivalents at 1 September</b>	B	<b>3,983,179</b>	3,432,018
<b>Cash and cash equivalents at 31 August</b>	B	<b>4,046,205</b>	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 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>129,504</b>	241,401
<b>Adjustments for:</b>		
Depreciation charge	<b>92,544</b>	82,614
Interest from investments	<b>(121,572)</b>	(49,964)
Decrease in debtors	<b>43,200</b>	297,222
(Decrease) in creditors	<b>(195,417)</b>	(10,314)
<b>Net cash (used in) provided by operating activities</b>	<b>(51,741)</b>	560,959

#### B Analysis of cash and net debt

	2024 £	2023 £
Cash at bank and in hand	<b>870,942</b>	2,408,644
Short-term deposits	<b>3,175,263</b>	1,574,535
<b>Total cash and cash equivalents</b>	<b>4,046,205</b>	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
	<b>5,963,737</b>	<b>5,958,334</b>

## 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
	<b>84</b>	<b>84</b>

Actual employees in the year:

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

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
	<b>3,654,428</b>	<b>3,691,159</b>
Trainers' fees	730,210	655,122
	<b>4,384,638</b>	<b>4,346,281</b>

### 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	—	—
	<b>7</b>	<b>8</b>

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	<b>135,150</b>	119,167
Holiday pay	—	10,200
Bonus	—	—
Pension contribution	<b>2,201</b>	1,468
	<b>137,351</b>	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 £
<b>Charitable expenditure</b>				
Educational services	3,931,242	1,280,020	92,544	<b>5,303,806</b>
Clinical services	453,396	77,031	—	<b>530,427</b>
	<u>4,384,638</u>	<u>1,357,051</u>	<u>92,544</u>	<u><b>5,834,233</b></u>

	Staff costs (note 3) £	Other £	Depreciation £	Total 2023 £
<b>Charitable expenditure</b>				
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 £
<b>Charitable expenditure</b>			
Educational services	4,354,245	949,561	<b>5,303,806</b>
Clinical services	213,907	316,520	<b>530,427</b>
	<u>4,568,152</u>	<u>1,266,081</u>	<u><b>5,834,233</b></u>

**5 Analysis of total resources expended (continued)**

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

**5b Analysis of support costs**

	Total 2024 £	Total 2023 £
<b>Support services</b>		
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
	<u>1,266,081</u>	<u>1,159,991</u>

**6 Tangible fixed assets**

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

## 7 Debtors

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

## 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
	<b>1,506,891</b>	<b>1,702,308</b>

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	<b>1,115,516</b>	<b>1,434,423</b>

## 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
	<b>—</b>	<b>2,616</b>

## 11 Movement in funds

	At 1 September 2023 £	Incoming resources £	Resources expended £	Transfers £	Total 2024 £
<b>Unrestricted</b>					
General	2,449,683	5,813,384	(5,589,810)	(6,805)	<b>2,666,452</b>
Designated					
. Bursary	—	56,935	(56,935)	—	<b>—</b>
. Fixed assets fund	2,271,505	—	(92,544)	6,805	<b>2,185,766</b>
Total Unrestricted	<u>4,721,188</u>	<u>5,870,319</u>	<u>(5,739,289)</u>	<u>—</u>	<u><b>4,852,218</b></u>
<b>Restricted</b>					
AMORAY	24,882	—	—	—	<b>24,882</b>
OfS Teaching fund	—	25,172	(25,172)	—	<b>—</b>
OfS Hardship fund	1,526	(1,526)	—	—	<b>—</b>
OfS Capital Grant	—	15,325	(15,325)	—	<b>—</b>
UKRI	—	54,447	(54,447)	—	<b>—</b>
Total Restricted	<u>26,408</u>	<u>93,418</u>	<u>(94,944)</u>	<u>—</u>	<u><b>24,882</b></u>
	<u>4,747,596</u>	<u>5,963,737</u>	<u>(5,834,233)</u>	<u>—</u>	<u><b>4,877,100</b></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
	<u>4,506,196</u>	<u>5,958,334</u>	<u>(5,716,934)</u>	<u>—</u>	<u>4,747,596</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 2024 £
<b>Fund balances at 31 August 2024 are represented by:</b>				
Tangible fixed assets	—	2,185,766	—	<b>2,185,766</b>
Current assets	4,173,343	—	24,882	<b>4,198,225</b>
Creditors: amounts falling due within one year	(1,506,891)	—	—	<b>(1,506,891)</b>
<b>Total net assets</b>	<b>2,666,452</b>	<b>2,185,766</b>	<b>24,882</b>	<b>4,877,100</b>

	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>	<b>2,476,091</b>	<b>2,271,505</b>	<b>—</b>	<b>4,747,596</b>

**Detailed expenditure account 31 August 2024**

This page does not form part of the financial statements

	2024 £	2024 £	2023 £	2023 £
<b>Expenditure</b>				
<b>Educational services:</b>				
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
<b>Clinical services:</b>				
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
<b>Total resources expended</b>		<b>5,834,233</b>		<b>5,716,933</b>