

Company number: 03258939

Charity number: 1058545

The United Kingdom Council for Psychotherapy

Report and financial statements

For the year ended 30 September 2020

Contents

For the year ended 30 September 2020

Reference and administrative information	1
Trustees' annual report	3
Independent auditor's report	22
Statement of financial activities (incorporating an income and expenditure account)	26
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29

The United Kingdom Council for Psychotherapy

Reference and administrative information

For the year ended 30 September 2020

Company number 03258939 – incorporated in the United Kingdom

Charity number 1058545 – registered in England and Wales

Registered office and operational address

2nd Floor, America House
2 America Square
London
EC3N 2LU

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Trustees	Martin Pollecoff	Chair, Re-elected from 18 March 2020
	Andy Cottom	Vice-chair
	David FitzGerald	Treasurer, Appointed 9 March 2020
	Bob Cooke	
	Brett Kahr	
	Divine Charura	
	Jacqui McCouat	
	John Loughrey	Lay
	Juliet Rosenfeld	
	Suzy Walker	Lay
	Neil Robertson	Treasurer, Resigned 1 April 2020
	Keith Carlton	Resigned 9 January 2020
Key Management Personnel	Sarah Niblock	Chief Executive
	Jovana Perzic	Head of Academic Enterprise and Innovation
	Cath White	Head of Operations and Regulation
	Helen Willingham	Head of Content and Engagement

Bankers

CAF Bank Ltd
Kings Hill West Malling
Kent
ME19 4TA

Barclays Bank plc
PO Box 2764
London
NW3 6JD

The United Kingdom Council for Psychotherapy

Reference and administrative information

For the year ended 30 September 2020

Unity Trust Bank
P O Box 7193
Planetary Road
Willenhall
WV1 9DG

Solicitors

Fieldfisher
35 Vine Street
London
EC3N 2AA

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

A message from our Chief Executive

In the midst of COVID-19, we are working in a completely different environment compared to the start of our financial year. Study after study has shown the huge psychological impact the virus has had on vast numbers of people. With COVID-19 we have two pandemics in one – the physical threat and the mental and emotional impacts of lockdown, illness, hospitalisation, bereavement and professional and financial uncertainty.

The global protests against police brutality towards black people also required immediate action from our members for their clients and service users in distress. It is evident too that the pandemic has disproportionately affected BAME people, a demographic already less likely to access mental health support.

Against this backdrop, UKCP had to amplify its voice and redouble its efforts. It has made our mission even more urgent.

As a small organisation, our first priority was the health of our people, including staff, volunteers and our wider membership. Thanks to a programme of emergency and business continuity planning that we began in 2018, coupled with the decision to replace elderly desktop computers with laptops and docking stations, we were able to migrate our whole operation online almost overnight.

Internally, our focus has been on updating and supporting our different categories of members amid changing national and local guidance. Through surveys, we captured the most pressing needs. We used this to create a COVID-19 Hub featuring regularly updated documents, online events and podcasts. We also made our systems better to improve the experience for members from fully online, trackable applications, to self-serve subscription renewals, to a new add-on package to support therapists preparing to retire.

Externally, our policy and public affairs work has focused on the unprecedented level of need, and towards gaining greater recognition from policy makers and commissioners of the relatively untapped quality and expertise of our members. We are working ever more closely with our sister organisations on matters that impact the public. Our magazine, *New Psychotherapist*, charts those efforts and continues to be circulated not only to members but to parliamentarians and policy makers to demystify the profession.

Increasingly, we are engaging not only with health leaders but with other sectors to show how psychotherapeutically-informed approaches can release untapped potential and offer solutions to pressing societal problems. We are working closely with Imperial College's Grantham Institute on climate change along with the University of Liverpool's Heseltine Institute and Core Cities UK on how to make our urban environments mentally healthy.

The urgent work to replace our website and Find a Therapist tool will play a critical role in ensuring that members of the public can make safe and informed choices about their mental and emotional wellbeing. While the 'double whammy' of web overhaul and crisis communications has presented challenges, we have an unprecedented opportunity to reach ever bigger audiences, particularly those who would most benefit from high quality psychotherapies.

Prof. Sarah Niblock
UKCP Chief Executive

Trustees' Annual Report

The trustees present their report and the audited financial statements for the year ended 30 September 2020.

Reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

This report looks at what the charity has achieved and the outcome of its work within the past 12 months. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps trustees ensure the charity's aims, objectives and activities remained in line with its stated purposes.

The trustees review the aims, objectives and activities of the charity each year.

Vision

We want a world in which emotional and mental wellness is a human right.

Purpose

To transform lives by unlocking potential.

Mission

Alongside professional support for our members we are the leading research, innovation, educational and regulatory body working to advance psychotherapies for the benefit of all.

Our strategic objectives

Improving access

To make sure that high-quality psychotherapy and psychotherapeutic counselling in both private and public sectors is available to everyone, no matter who they are.

Engaging better

To improve the way we engage with our individual and organisational members and provide services and benefits which are valued by all.

Maintain standards of excellence

To protect the public by making sure everyone on our register meets our professional standards, at the same time making sure our register meets national accreditation requirements. To continue setting high standards in the way we govern and organise ourselves.

Collaborating for success

To develop existing external collaborations and actively seek new ones to achieve a more powerful voice to promote psychotherapy and psychotherapeutic counselling.

Research

To carry out appropriate research and use findings to promote psychotherapy and psychotherapeutic counselling and inform our members' training and development for the benefit of all.

Our charitable objectives

Our charitable objectives, as set out in our Articles of Association, provide a framework through which our strategic aims can be achieved. They are to promote:

- the art and science of psychotherapy and psychotherapeutic counselling for the benefit of the public
- the importance of extensive research into psychotherapy and psychotherapeutic counselling methods, and the timely, widespread dissemination of relevant findings
- the highest standards of education, training and practice in psychotherapy and psychotherapeutic counselling
- the wider provision of psychotherapy and psychotherapeutic counselling for all sections of the public.

Public benefit

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Achievements and performance in the delivery of public benefit

1. Improving access to psychotherapy
2. Engaging better
3. Maintaining standards of excellence
4. Collaborating for success
5. Research

Improving access to psychotherapy

We're committed to raising the profile of psychotherapy and UKCP so the public, service users, media, policy makers, professionals and partners fully understand the profession, act in its best interests, and think of us as its 'go to' expert body. As part of this work, we target diverse audiences to encourage them to join the profession or feel more open to seeking psychotherapy.

Influencing decision makers

We worked hard this year to influence the government, NHS and other key organisations.

Following a commitment to streamline our policy work, we agreed that our top priority for 2020 would be strengthening and expanding psychotherapy's place in the NHS.

Our work included:

- **Influencing the National Institute for Health and Care Excellence (NICE) depression guideline.** Following extensive pressure from a large coalition of organisations we jointly led, NICE committed to addressing all our concerns about the third revision of the guideline – the key advice on treating depression for clinicians in England and Wales. Consequently, the publication of the next guideline was postponed until 2022.
- **Continuing our work as a member of the Talking Therapies Taskforce.** The Taskforce is made up of six leading psychotherapy and counselling bodies looking to improve the national infrastructure for talking therapies. This year we worked to secure data for a report we have commissioned the Centre for Mental Health to deliver which looks at inefficiencies in existing NHS treatment pathways for patients with complex mental health needs. This is due for release in early 2021.
- **Attending Health Education England Workforce Group meetings.** This gave us access to numerous key decision makers and the unique opportunity to feed into workforce planning for the implementation of the NHS Long Term Plan.
- **Feeding into the NHS Vision for the Psychological Professions consultation.** We provided a largely positive response to this consultation. We did, however, flag the need for more emphasis on providing a wider range of treatments, diversifying the workforce and clearer language in the document about the different professions – we noted incoherent distinctions between 'therapists', 'psychotherapists', 'other therapists' and 'other psychological professionals'.
- **Reaching out to parliamentarians.** We met with a number of parliamentarians from all major parties to discuss issues related to psychotherapy. We also raised specific concerns about the government's response to the mental health impact of COVID-19.

Encouraging people to become psychotherapists, or seek therapy

A key part of our work is encouraging people into the psychotherapy profession, or to seek psychotherapy if they need it. This year we continued our podcast series Talking Therapies, in partnership with Psychologies magazine. Talking Therapies raises awareness of psychotherapy and promotes emotional and mental wellness, covering topics people might bring to therapy, such as cheating or being cheated on.

We also refocused our monthly spread in Psychologies to include not only a call for readers to seek therapy but stories from our members about how they entered the profession. This year we started republishing these member experiences on our website, along with the Spotlight features from our member magazine, to inspire others. Between May and October this collection of web pages was viewed over 12,000 times.

We also promoted psychotherapy during awareness-raising events like Suicide Prevention Day, Eating Disorder Awareness Week and Psychotherapy Day 2020, where we highlighted our members and their route into the profession via a podcast.

Reaching key audiences via the media

We carried on raising the profile of psychotherapy and UKCP among the public and policy makers via the media in 2019/20. We want to demystify psychotherapy and make it socially acceptable to talk about therapy and mental wellbeing. In 2020, COVID-19 dominated the media landscape, and we were a key voice, providing commentary on the pandemic's mental health impact.

Some highlights included:

- HR Magazine commissioned UKCP Chair Martin Pollecoff to provide an opinion piece about male anxiety in the workplace.
- The Independent published a piece on how to ensure relationships survive self-isolation, which featured UKCP member Lucy Beresford.
- Channel 5 News interviewed member Divine Charura about coping with grief caused by COVID-19.
- The Independent interviewed members Henry Adeane and Hilda Burke and UKCP Chief Executive Sarah Niblock on how to make the most of online therapy.
- HuffPost spoke to member Lucy Fuller about the anxiety of leaving home during lockdown.
- The Daily Telegraph interviewed member Charles Brown for a piece focused on race discrimination in the workplace.

Communicating with more people online

We were pleased to see 11 per cent more people using our website this year compared to last year (423,971 users vs 381,801) with a 7 per cent increase in page views (2,662,780 vs 2,480,031).

The most popular page on the website after the homepage, was Find A Therapist, which received around a third of all page views. Other particularly popular pages included 'Types of psychotherapy', which saw a 738 per cent increase in visits compared to last year, and 'What is psychotherapy?', which received a 1,788 per cent increase. This growth is in line with our new website content strategy which aims to build our reach, profile and authority by providing engaging and accessible content about all aspects of psychotherapy.

Trustees' annual report

For the year ended 30 September 2020

Page views of our 'How to train' page also increased by 17 per cent, reflecting a greater focus on recruiting students and trainees.

Our social media content also proved popular. Seventy-seven per cent more people clicked on links to our website from social media compared to 2019/20, showing the increasing relevancy of our content.

Engaging better

We're committed to providing the very best resources, representation and experience for our members to support them in their high standards of practice. We work hard to attract new, and retain existing, members by improving and promoting what we offer.

Being there for our members during COVID-19

From moving to working online to worries about income, COVID-19 brought immense, unprecedented and relentless challenges for psychotherapy this year. Our absolute priority was to protect the health and wellbeing of our members and their clients, and to defend income. But, with the crisis's impact on the nation's mental health clearly far-reaching, we wanted to help our members continue their vital work too. We worked tirelessly on both challenges in 2020.

Many psychotherapists and psychotherapeutic counsellors are self-employed or work on zero-hours contracts. They were extremely concerned about their income dropping. In the early days of lockdown, with the British Association for Counselling and Psychotherapy (BACP) and the British Psychoanalytic Council (BPC), we wrote to government urging them to support the self-employed financially. We also joined a campaign by the Association of Independent Professionals and the Self-Employed. The government announced a raft of self-employed support soon after.

Our letter to government included two other key asks: work with us to develop a clear action plan to deliver a comprehensive mental health response to the COVID-19 crisis, and commit to signposting the public to the very best mental health support online. Twenty-seven organisations supported our three asks, and almost 10,000 people signed a petition backing them. We continue to strongly press the government to take action on all three issues.

For most of our members, the pandemic brought with it a huge and immediate change to working online. We were there to guide them through the associated challenges. Just over three weeks after lockdown began, we launched guidance on working online during lockdown to help members continue working safely and effectively without meeting in person. Members who completed it could add this to their UKCP Find a Therapist profile.

We also created a coronavirus section on our website. Beginning as a single news page, it quickly grew into a hub, packed with helpful guidance, FAQs, resources and support. This had over 40,000 hits by the end of September. We also increased the frequency of our emails to members to once a week, to give them the information they so urgently needed. The number of members opening our emails increased from 45-50 per cent to 55-60 per cent, showing how useful members found them. We also created six podcasts, aiming

Trustees' annual report

For the year ended 30 September 2020

to answer members' questions during lockdown. These have been listened to over 800 times and the accompanying webpage received just under 2,000 page views by the end of 2019/20.

Growing our membership

We were delighted to see our member numbers grow by eight per cent, to over 10,500, this year, meaning we supported even more psychotherapists and psychotherapeutic counsellors to deliver high standards of practice. We also achieved our target of retaining 95 per cent of our existing members.

During the year, we worked hard to make it easier and quicker for our members to renew their memberships. From September 2020, for the first time, those who pay by card were able to pay online, instead of having to call us during office hours. We also froze our fees, improved our communications urging members to renew and made changes to our database so registrants receive a digital certificate by email as soon as we receive payment, along with a receipt.

Funding trainees

Training to be a psychotherapist or psychotherapeutic counsellor can be expensive. We want to help trainees who might need financial assistance so they can afford to join the profession. In 2020 our fourth annual Trainee Bursary Scheme gave 35 students £750 each towards their training, following 83 applications. This year we changed the Scheme's rules to make applying easier, fairer and more transparent. This included increasing our decision panel from three to five people, moving the whole application process online, and limiting applications to members in their last two years of training.

For the first time, we also gave our members and the public the chance to directly donate to our Training Bursary Scheme fund on our website. We received £9,506 (including Gift Aid), allowing us to fund an extra eight trainees.

Providing useful training and events

Our training and events allow members to hear from experts, and network and learn from each other to improve their practice.

This year, our events included a sell-out Scottish Public Policy Forum in Edinburgh, which explored in depth what happens in the supervisory relationship and had 60 attendees; a workshop on setting up a private practice in London, which sold out with 30 people attending; and the first in a series of training days to support organisational members to develop their practice in line with the Memorandum of Understanding on Conversion Therapy, an agreement produced by 14 organisations, including UKCP, to end the practice of conversion therapy in the UK.

COVID-19 meant we had to move online for events from March onwards. We organised eight webinars to support our members, watched live by over 1,000 people. The recordings had more than 1,000 views as well. Subjects included sexual and domestic violence, remote working, racial trauma, and the financial impact of COVID-19 on therapy practices. We chose topics based on members' feedback.

We also created a continuing professional development (CPD) webpage this year, where members could find resources to help with their CPD, particularly during lockdown when many sources of training weren't available. The webpage had over 1,500 visits.

Improving our offer for members close to retirement

Psychotherapists and psychotherapeutic counsellors coming up to retirement often wind down their practice, reducing the number of clients they see. This year, following research and consultation with our members, we launched a Pre-retirement Add-on to the full clinical membership grade. This offers members who are planning to retire from practice within two years a 25 per cent fee reduction and exemption from our Registrant Sample Audit and re-accreditation process.

Listening to our members

We know listening closely to what our members need and want is the most vital part of getting our offer right, and achieving our target of retaining 95 per cent of our members every year.

In January 2020 we launched our Individual Members Survey. Around 2,300 of our members responded, giving us important insights. With the massive changes COVID-19 brought after that, we continued doing smaller surveys during the year to identify ways we could support members. In 2019 and early 2020 we also organised four events where our organisational members came together to tell us about their needs and help us plan a strategy for them.

Maintaining standards of excellence

To achieve the most for our members and the psychotherapy profession, we're committed to improving the way we govern ourselves and regulate our members. We continually review structures across our organisation, addressing diversity issues as a priority.

Ensuring quality

This year we continued to conduct quality reviews of our organisational members and an annual audit of our individual clinical members, making sure they are providing the highest quality psychotherapy and psychotherapeutic counselling for their clients.

In the 2020 calendar year we audited 234 psychotherapists, while in the 2019/20 financial year we did 17 reviews of existing organisational members and two reviews of applicant organisations. Once the COVID-19 restrictions came in, we had to do all our reviews online; this change was managed smoothly.

Enhancing our governance

We carried on with our ongoing process of reviewing and enhancing our governance structures in 2019/20, making sure we're working in the best possible way for our members. Changes included creating a new Quality Assurance Committee and Regulations Working Group.

Updating training standards

To support our family and systemic members and ensure those new to practice get the best training possible, our Education, Training and Practice Committee developed Standards of Education and Training (SETs) for family and systemic psychotherapy. The Committee also launched a consultation on revised SETs for child psychotherapeutic counselling in July which closed at the end of October.

Creating an Equality, Diversity and Inclusion Taskforce

In the spring we took steps to create an Equality, Diversity and Inclusivity Taskforce led by Elizabeth Oni-Iyiola of Inclusive Boards to examine our systems, symbols and behaviours and ensure we hold the highest values and ethics (see Plans for the Future). In response to the global protests about racial injustice over the summer, we published a statement, followed by a paper written by one of our trustees, and held a webinar with some of our foremost psychotherapists looking at how the therapeutic community might respond to the overdue call to address structural societal inequalities.

Looking after our staff

Our staff are at the heart of everything we achieve, and we're committed to their development and wellbeing. This year consultations and surveys told us staff felt heard and adequately supported, with staff turnover dropping considerably.

The COVID-19 pandemic was challenging for everyone, and the smooth transition to remote working was testament to our staff's dedication and resilience. For those who wanted it, we offered therapy to help staff deal with the stresses brought by the pandemic.

Improving our IT systems

Keeping our database of members' details up to date is vital so we can easily provide them with the information they need, keep their data safe, and make the database easy for our staff to use. This year we appointed a new CRM Officer to maintain our database, improve processes and train staff to use it more effectively.

Honouring the best in the field

Every year, through our Honorary Fellowship Awards, we pay tribute to those in the profession who further the values and ideals of the fields of psychotherapy and psychotherapeutic counselling, and of UKCP. Following a robust and rigorous nominations and selection process, four UKCP psychotherapists received an Honorary Fellowship in 2020.

Gaining Professional Standards Authority reaccreditation

The Professional Standards Authority reviews and accredits the work of regulators of health and care professionals, such as UKCP. We were pleased to meet their exacting standards in 2019/20, and had our accreditation renewed.

Dealing with complaints

A core part of our service to the public is dealing with any complaints about psychotherapists on our register. During 2019/20, we received 78 formal complaints (out of a total of 8,295 members) against our members, resulting in four interim suspension order hearings and ten adjudication panel hearings. We have identified an emerging upward trend in both the number of complaints and complexity of cases and are keeping this under review.

The Professional Conduct Committee (PCC) is responsible for overseeing the successful functioning of UKCP's Complaints and Conduct Process. By doing so, it plays a key part in enabling UKCP to meet its responsibility for maintaining professional standards of excellence. The PCC has oversight of each individual case that progresses through the complaints process and provides advice and guidance to UKCP's Complaints and Conduct Team, which manages complaints on a day-to-day basis.

The PCC currently comprises a lay (nontherapist) chair, three professional UKCP members, three lay members and a member of UKCP's Ethics Committee, providing an easy way for the two committees to work together.

The complaints process is underpinned by UKCP's code of ethics and we welcomed an updated version of the code which came into effect in October 2019. We are working with the Ethics Committee on producing advice and detailed guidance for members on how to avoid complaints arising in the future. We are also exploring ways of streamlining the process in the future.

Serious complaints are rare; the vast majority of our registrants never have a complaint made against them. However, when things do go wrong our complaints procedure is robust and enables us to step in and take action in the public interest. Fewer than 1% of all UKCP registrants were the subject of a complaint in 2019.

More information can be found in the Annual Report of the UKCP Professional Conduct Committee on our website.

Collaborating for success

To best support our members and advocate for and promote the psychotherapy profession, we're committed to brokering new, and developing existing, collaborations with professional bodies, service users, the media and those in research and the private sector. We develop relationships with those representing minority groups to help us achieve mutual diversity aims.

Working with Mind to help our members find new roles

The mental health charity Mind received £5 million in government funding to upscale mental health services during the COVID-19 crisis. We worked with the charity to make sure our members could find out about and apply for the new roles created with this funding, giving them a potential new source of income during a difficult time.

Holding courses with Imperial College London

In partnership with Imperial College London, we held two interesting and useful short courses in 2019/20, open to all and raising the profile of psychotherapy: Introduction to Psychotherapy: A Social History of the Mind, and Understanding Psychotherapy: Through the Psychotherapists' Eyes.

Developing the Scope of Practice and Education framework

Throughout 2019/20 we worked closely with BACP and BPC on the Scope of Practice and Education (SCoPEd) project, which aims to address confusion about the roles of different psychological professions by producing a framework outlining the minimum training requirements, competencies and practice standards for therapists working with adults. Following wide-ranging consultation with members, a third draft of the framework was shared with UKCP, BACP and BPC members in July 2020 for feedback.

Collaborating on research with the University of Sheffield

To advance our work on influencing a greater choice of therapies in the NHS and greater recognition of psychotherapeutic approaches, this year we have partnered with the University of Sheffield. We commissioned an in-depth analysis of large datasets, including over 200,000 clients, from the NHS psychological therapies service. This work will be ongoing over the next year.

Research

We're committed to delivering research to promote psychotherapy and psychotherapeutic counselling, and to inform our members' training and development. We aim to undertake research to identify issues around diversity facing the profession and the mental health sector.

Launching our new Research Working Group

The most significant development for research at the UKCP this year was the launch of our new Research Working Group. The Group will reassess the structure and function of research at UKCP, and work out how research fits within our strategic aims. The group's first meeting took place in March 2020. Discussions continued remotely throughout the pandemic, and will carry on into next year.

Improving members' engagement with research

Our 2020 Individual Members Survey showed that 84 per cent of our members were not involved with research, but 85 per cent were interested in research. With this in mind, we worked on ideas for getting more members involved. We also held well-attended webinars on research over lockdown.

Awarding research grants

In July 2020, we invited researchers to compete for several grants of £2,000-£3,000 each, plus one larger grant of £10,000. We received 16 entries, and three grants were awarded from a very strong field.

Launching COVID-19 article competition

COVID-19 raised many questions about how psychotherapy can help in a time of crisis. We launched a COVID-19 article competition, asking our members to write about psychotherapy in light of the pandemic. The competition received 23 entries, 10 of which were shortlisted to write a full article for a special edition publication.

Collaborating with the policy team

We know that high quality research is essential for our policy work influencing decision-makers. This year, we ensured our research and policy teams worked much more closely together on research strategy going forward.

Collecting information on client outcomes

Our member survey also showed that the majority of our members use some kind of system (such as the CORE) to measure outcomes for their clients. This year we considered how best to standardise outcome measurement and create a UKCP member database. This would create a unique and powerful evidence base for the efficacy of psychotherapeutic approaches.

Plans for 2020/21

Launching our new website and Find a Therapist tool

We know our website is a crucial tool to meet all our goals as an organisation, from supporting members to influencing decision-makers and raising the profile of psychotherapy and psychotherapeutic counselling. In autumn 2020, we will launch a new site to better meet our needs, informed by research with key user groups. It will include a new and improved Find a Therapist tool for people looking to work with a psychotherapist in person or remotely.

Equality, diversity and inclusion

Our Equality, Diversity and Inclusivity Taskforce will work with staff, members and trustees to co-create a strategy in these areas that the whole organisation owns and champions. We also plan to look at ways to secure funding for psychotherapy students from under-represented backgrounds.

Surveying clients

Our Individual Members Survey highlighted that many members wanted more research into the client experience of therapy during COVID-19. We plan to undertake this work next year.

Improving psychotherapy education

Our newly-created Education Working Group will next year undertake market research to look into the possibility of creating a psychotherapy BA/BSc degree course. We are also seeking academic partnerships to provide fundamental courses in psychotherapy.

Creating a strategy to attract new members

We are working on a strategy to attract and retain new members. This could include new membership grades and tiered structures. We will also be reviewing member benefits.

Formulating our strategy for organisational members

We will continue gathering insights from our organisational members about their needs and ideas for how we can support them going forward. We intend to finalise our organisational members strategy by the end of 2020.

Improving our ethics work

Having revised our code of ethics, we plan to focus on working across the organisation to prevent complaints.

Staying digital

Our webinars during the COVID-19 lockdown were very successful so we plan to continue with them, even when in-person events can resume.

Putting our policy messages on social media

We are planning to put our policy messaging on social media each week in 2020/21. This content is always welcomed on our platforms. It promotes our work and psychotherapy, while also resonating with members.

Reviewing Systemic Standards of Education and Training

We plan to continue reviewing more Systemic Standards of Education and Training in 2020/21, including those for working with adults and children.

Continuing our courses with Imperial College London

Following great interest in our joint evening courses prior to COVID-19, we will continue our collaboration with Imperial College London. We will be re-delivering our Understanding Psychotherapy: A Social History of the Mind course online from October to December 2020.

Reviewing the Practitioner Research Network

We plan to review how our Practitioner Research Network works, to make sure it best serves both our members and organisational strategy.

Financial reports

Financial review

The attached Statement of Financial Activities and Balance Sheet provide the results of the Charity's operations for the twelve months from 1 October 2019 to 30 September 2020.

Income for the year to September 2020 was £2,480k, up 6.3% on 2019. Total expenditure was £2,682k (up 15%) compared to £2,334k in 2019. Operational staff costs have increased owing to a cost of living allowance awarded in October 2019, increased auto-enrolment pension costs and additional resources engaged to enhance our research and policy work. We have spent £88k on upgrading our website which will enhance communication with members and the general public. There have been savings in all departments as all in-person meetings were cancelled as a result of the COVID-19 pandemic. Our staff have successfully worked from home since March 2020 and all meetings, hearings and assessments are being held online. Legal costs for the Complaints & Conduct Process are higher than last year as more complex cases were heard in the period.

The majority of the charity's income is from membership fees (£2,400k in 2020 and £2,258k in 2019). The trustees recognise that the charity's reliance on this sole source of income makes the charity vulnerable to unforeseen fluctuations in membership. The trustees take this factor into account in setting levels of reserves to be held and also in putting appropriate strategic priority to maintaining and growing membership.

The Complaints and Conduct Process was reclassified as a Designated Fund on 1 October 2014. The number of cases heard each year fluctuates; cases planned for the following year are taken into account in the price setting model and will continue to be monitored. The contribution from the general reserves has

Trustees' annual report

For the year ended 30 September 2020

increased, owing to more complex cases being dealt with this year. Costs are monitored closely and managed to the best of our ability. Processes are under constant review to ensure we contain costs as far as we are able.

In an organisation so heavily dependent on voluntary effort, any analysis of expenditure by activity gives a distorted picture of the charity's costs. The charity continues to employ a small staff team, so most of our programmes rely on the commitment of very hard working volunteers. The many hours of work on The United Kingdom Council for Psychotherapy committees, standards, registration, regulation and quality assurance are not reflected in the columns of figures in the financial statements. The Board of Trustees takes this opportunity to thank all those who have given time to UKCP for the advancement of psychotherapy and psychotherapeutic counselling.

Some volunteers are paid a token amount in recognition of the time they spend on UKCP business including but not limited to carrying out assessments and reviewing or writing documents and procedures. These amounts are in no way meant to reimburse them at market rates.

Some Trustees presented lectures at the short courses held in conjunction with Imperial College and received payment for this contribution. These amounts are disclosed in note 11 to the accounts.

All trustees give their time voluntarily, with the exception of the Chair as explained in note 8, and any expenses reclaimed from the charity are set out in note 7 to the accounts.

Our balance sheet continues to reflect our stability with cash reserves in excess of our target. Current liabilities include deferred income of £158k, reflecting membership income received in advance of the 2020/21 financial year.

Investment policy and performance

The trustees' investment policy was put in place to ensure that UKCP's cash is invested in the most effective and secure manner.

The policy states that the objectives of investments are:

- To produce the best financial return within an acceptable level of risk
- To produce a total return in excess of inflation for medium term investments
- To preserve the capital value with a minimum level of risk for short term investments

The policy also details the trustees' position on risk, ethical investments and liquidity.

The Finance, Risk and Audit Committee has decided to invest reserves in the F&C CAF Socially Responsible Portfolio. The investments paid out dividends of £4k during the year, a yield of 1.5%. The investments have risen in value by 37% since their purchase in February 2016.

Reserves policy and going concern

The key threat to our income is a drop in membership renewals and/or a reduction in new members joining. Despite our initial concerns in the light of Covid-19, the membership renewals for 2020/21 have held up and we have attracted a further 300 applications from potential new members since 1 October 2020. We are, therefore, reasonably confident that our income is secure. Much of our expenditure is within our control. Thus we are satisfied that we meet the conditions to meet the Going Concern requirement.

The trustees have a reserves policy which requires that reserves be maintained at a level which ensures that the Charity's core activities could continue during a period of unforeseen difficulty.

The Complaints and Conduct Process has a separate reserves policy. A proportion of these reserves must be maintained in a readily realisable form.

The Charity's income and expenditure are both highly predictable in timing and amounts. Reserves are calculated by reference to the risks the Charity faces and the costs of aligning expenses with income if required, or to meet the risks of unplanned costs.

The trustees set reserves targets at the beginning of the financial year and monitor the actual results at each Board meeting. The current reserves target for the general fund is £325k. The target ensures funds are available to cover any outstanding rent and operational costs as well as ensuring staff are adequately remunerated should we have to cease operations.

The free reserves at 30 September 2020 are £534,850 (unrestricted funds less net book value of tangible fixed assets). The excess free reserves of £209,850 are being carried forward to the 2020/21 financial year.

The target for the Complaints and Conduct Process fund is £55k. This is set taking account of potential litigation or risk and insurances held against these. Expenditure, other than operational costs, is dependent on the number of cases accepted and this varies from year to year. The budget setting process takes the number of cases accepted but not heard into account so reserves at the end of a financial year may be higher than the target to make allowance for expected future legal costs.

Related parties and relationships with other organisations

The Charity is a membership organisation and has, in the ordinary course of its activities, transactions with its members individually and with groups of members in the Faculties and Colleges. Faculties and Colleges are not separate legal entities and facilitate engagement and involvement with members.

Remuneration policy

The Charity sets the pay of its staff and key management personnel using industry benchmarks, performance reviews and appraisals. UKCP has a Remuneration, Appointments and Performance Management Committee (RAPMC) which is responsible for re-evaluating decisions to remunerate trustees, committee chairs and college personnel on an annual basis and reports their findings to the UKCP Board of Trustees. The RAPMC is currently reviewing all contracts for services to ensure they are compliant with current legislation. The Board approves any annual increases and changes to the Chief Executive's remuneration package, as recommended by the RAPMC.

Fundraising

The United Kingdom Council for Psychotherapy does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Charity nevertheless observes the relevant fundraising regulations and codes. During the year there was no non-compliance with these regulations and codes and the Charity received no complaints relating to its fundraising practice.

Structure, governance and management

Constitution

The organisation is a charitable company limited by guarantee, incorporated on 30 September 1996 and registered as a charity on 8 October 1996.

The company was established under a memorandum of association which established the objects (see page 4) and powers of the charitable company and is governed under its articles of association.

Organisational structure and decision making

The Board of Trustees, which is responsible to UKCP members and the Charity Commission, oversees the fulfilment of our charitable objectives. A number of committees report to the Board or to the Executive Committee, which oversees ongoing work.

On appointment, each trustee is asked to declare any conflicts interest. They are also asked to declare any interests annually which ensures the UKCP Register of Interests is accurate and up-to-date.

We give our new trustees an induction pack outlining the roles and responsibilities of being a trustee as well as the Charity Commission's 'Charity trustee: what's involved' (CC3a) and 'The essential trustee: what you need to know' (CC3). We also aim to meet any training needs for new trustees that will help them carry out their role.

Risk management

Our Board reviews the risks facing UKCP on an annual basis via a Risk Register. The register covers strategic, operational, financial, human resources, technological and reputational risks. The risks we have identified are prioritised in terms of potential impact and likelihood of occurrence and the trustees confirm that systems or procedures are in place to mitigate significant risks. Five of the main risks that the trustees have identified and the strategies for mitigating these are:

- Impact of Covid-19 on membership income:- we continue to monitor this closely and refer to this risk in the going concern note above.
- Legal challenges on complaints and conduct cases :- robust procedures are followed for each case, overseen and reviewed by suitable parties. Suitable insurance against a Judicial Review is in place.
- Statutory regulation being introduced, potentially meaning that therapists no longer need UKCP registration, or any other economic, political or regulatory change resulting in a substantial reduction in member numbers :- we continue to engage with Government and other interested professional bodies. We are simultaneously engaged in an ongoing programme of creating a value proposition for members to remain in the organisation should this occur.
- Brand damage or other deterioration in the perception of our premium status resulting from actions (fraudulent or otherwise) by UKCP members, employees or outsourced staff may result in losses to the Charity in financial or reputational terms :- robust procedures followed by all staff, contractors and the external finance team ensure these risks are low.
- Breach of data, including loss or theft of confidential or sensitive data or equipment on which data is stored, hacking attack or human error:- continuous assessment of risk and data breach process is in place.

Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The United Kingdom Council for Psychotherapy

Trustees' annual report

For the year ended 30 September 2020

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

In so far as the trustees are aware:

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

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

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' Annual Report has been approved by the trustees on 12 February 2021 and signed on their behalf by

M Pollecoff
Chair

Independent auditor's report

To the members of

The United Kingdom Council for Psychotherapy

Opinion

We have audited the financial statements of The United Kingdom Council for Psychotherapy (the 'charitable company') for the year ended 30 September 2020 which comprise the statement of financial activities, balance sheet, 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 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

Independent auditor's report

To the members of

The United Kingdom Council for Psychotherapy

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

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

Use of our report

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

Judith Miller (Senior statutory auditor)

24 March 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The United Kingdom Council for Psychotherapy

Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 30 September 2020

	Note	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Total £
Income from:					
Donations	2	–	9,506	9,506	–
Charitable activities					
Registration fees and subscriptions	3	2,400,563	–	2,400,563	2,257,695
Other trading activities	4	64,898	–	64,898	68,285
Investments	5	5,135	–	5,135	7,495
Total income		2,470,596	9,506	2,480,102	2,333,475
Expenditure on:					
Charitable activities					
Improving access		415,938	9,506	425,444	294,924
Engaging better		409,544	–	409,544	373,956
Maintain standards of excellence		1,474,932	–	1,474,932	1,321,812
Collaborating for success		222,539	–	222,539	201,534
Research		149,440	–	149,440	142,041
Total expenditure	6	2,672,393	9,506	2,681,899	2,334,267
Net expenditure before net gains on investments		(201,797)	–	(201,797)	(792)
Net gains on investments	14	1,521	–	1,521	7,789
Net (expenditure)/income for the year and net movement in funds	7	(200,276)	–	(200,276)	6,997
Reconciliation of funds					
Total funds brought forward		964,931	–	964,931	957,934
Total funds carried forward	19	764,655	–	764,655	964,931

All income and expenditure in 2019 was unrestricted.

The United Kingdom Council for Psychotherapy

Balance sheet

Company no. 03258939

For the year ended 30 September 2020

	Note	£	2020 £	2019 £
Fixed assets				
Tangible fixed assets	13		169,942	204,931
Investments	14		273,851	272,330
			<u>443,793</u>	<u>477,261</u>
Current assets				
Debtors	15	135,927		134,083
Cash at bank and in hand		738,353		813,709
		<u>874,280</u>		<u>947,792</u>
Liabilities				
Creditors: amounts falling due within one year	16	(553,418)		(460,122)
			<u>320,862</u>	<u>487,670</u>
Net current assets				
			<u>764,655</u>	<u>964,931</u>
Net assets	18			
			<u>764,655</u>	<u>964,931</u>
The funds of the charity	19			
Restricted funds			–	–
Unrestricted funds				
Designated funds			59,863	224,675
General funds			704,792	740,256
Total charity funds			<u>764,655</u>	<u>964,931</u>

Approved by the trustees on 12 February 2021 and signed on their behalf by:

Martin Pollecoff
Chair

David Fitzgerald
Treasurer

The United Kingdom Council for Psychotherapy

Statement of cash flows

For the year ended 30 September 2020

	2020		2019	
	£	£	£	£
Cash flows from operating activities				
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(200,276)		6,997	
Depreciation charges	34,989		37,352	
Gains on investments	(1,521)		(7,789)	
Dividends, interest and rent from investments	(5,135)		(7,495)	
Loss on the sale/disposal of fixed assets	–		4,682	
Increase in debtors	(1,844)		(13,567)	
Increase in creditors	93,296		58,867	
Net cash (used in) / provided by operating activities		(80,491)		79,047
Cash flows from investing activities:				
Dividends, interest and rents from investments	5,135		7,495	
Purchase of fixed assets	–		(6,126)	
Net cash provided by investing activities		5,135		1,369
Change in cash and cash equivalents in the year		(75,356)		80,416
Cash and cash equivalents at the beginning of the year		813,709		733,293
Cash and cash equivalents at the end of the year		<u>738,353</u>		<u>813,709</u>

1 Accounting policies

a) Statutory information

The United Kingdom Council for Psychotherapy is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is America House, 2 America Square, London, EC3N 2LU.

b) Basis of preparation

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

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

The income and expenditure of colleges and faculties is included within the charity's financial statements, as required by paragraph 25.9 of the SORP. Part of the charity's general funds are held in bank accounts controlled by colleges and faculties. At the end of the year the extent of such funds was £13,703 (2019: £1,286).

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

Income from registration fees and subscriptions is recognised evenly over the registration year.

f) Interest receivable

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

1 Accounting policies (continued)

g) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

h) Expenditure and irrecoverable VAT

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

- Expenditure on charitable activities includes the costs of delivering services, training and other membership activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

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

	2020	2019
● Improving access	14.90%	11.80%
● Engaging better	14.35%	14.96%
● Maintain standards of excellence	51.66%	52.88%
● Collaborating for success	7.80%	8.06%
● Research	5.23%	5.68%
● Governance costs	6.06%	6.62%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities. These are apportioned over each area of activity in proportion of the total costs of that activity.

1 Accounting policies (continued)

j) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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

● Short term leasehold property	10 years straight line
● Furniture and fittings	25% pa reducing balance
● Furniture and fittings held under finance leases	Term of the lease
● Office equipment	25% pa reducing balance
● Computer equipment	20 – 25% pa straight line

k) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

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

o) 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.

p) Pensions

The charity contributes to personal pension plans of its employees. The pension charge represents the amounts payable by the charity to such plans in the financial year.

The United Kingdom Council for Psychotherapy

Notes to the financial statements

For the year ended 30 September 2020

2 Income from donations

	2020 Total £	2019 Total £
Trainee Bursary Scheme	9,506	–
Total donations	9,506	–

All income from donations is restricted.

3 Income from charitable activities

	2020 Total £	2019 Total £
Registration fees and subscriptions	2,400,563	2,257,695
Total income from charitable activities	2,400,563	2,257,695

All income from charitable activities is unrestricted.

4 Income from other trading activities

	2020 Total £	2019 Total £
Advertising Income	46,358	38,883
Conferences and events	16,336	24,340
Other income	2,204	5,062
	64,898	68,285

All income from other trading activities is unrestricted.

5 Income from investments

	2020 Total £	2019 Total £
Interest income	931	2,016
Investment income	4,204	5,479
	5,135	7,495

All income from investments is unrestricted.

6a Analysis of expenditure (current year)

	Charitable activities							
	Improving Access £	Engaging better £	Maintain standards of excellence £	Collaborating for success £	Research £	Governance costs £	2020 Total £	2019 Total £
Operational staff costs (excl' CCP staff costs)	122,173	141,781	407,245	102,565	64,857	66,364	904,985	771,981
Premises and other operational costs	56,870	65,997	189,566	47,743	30,190	30,892	421,258	437,131
Committees and Board of Trustees	1,846	1,846	11,077	1,846	923	923	18,461	43,947
Communications	76,085	106,519	45,651	45,651	30,434	–	304,340	273,453
Governance and membership administration	13,580	13,580	47,532	6,790	–	54,322	135,804	115,704
Colleges	8,939	8,939	53,633	4,469	4,469	8,939	89,388	142,633
Faculties	477	477	3,818	–	3,818	955	9,545	21,607
Complaints and Conduct Process (incl' staff costs)	34,205	34,205	615,699	–	–	–	684,109	507,811
Development projects	85,507	11,401	11,401	–	5,700	–	114,009	20,000
	399,682	384,745	1,385,622	209,064	140,391	162,395	2,681,899	2,334,267
Governance costs	25,762	24,799	89,310	13,475	9,049	(162,395)	–	–
Total expenditure 2020	425,444	409,544	1,474,932	222,539	149,440	–	2,681,899	
Total expenditure 2019	294,924	373,956	1,321,812	201,534	142,041	–		2,334,267

6b Analysis of expenditure (prior year)

	Charitable activities						
	Improving Access £	Engaging better £	Maintain standards of excellence £	Collaborating for success £	Research £	Governance costs £	2019 Total £
Operational staff costs (excl' CCP staff costs)	85,776	124,375	365,976	82,917	55,754	57,183	771,981
Premises and other operational costs	48,570	70,427	207,232	46,951	31,571	32,380	437,131
Committees and Board of Trustees	4,395	4,395	26,368	4,395	2,197	2,197	43,947
Communications	68,363	95,709	41,018	41,018	27,345	–	273,453
Governance and membership administration	11,570	11,570	40,497	5,785	–	46,282	115,704
Colleges	14,263	14,263	85,580	7,132	7,132	14,263	142,633
Faculties	1,080	1,080	8,643	–	8,643	2,161	21,607
Complaints and Conduct Process (incl' staff costs)	25,391	25,391	457,029	–	–	–	507,811
Development projects	16,000	2,000	2,000	–	–	–	20,000
	275,408	349,210	1,234,343	188,198	132,642	154,466	2,334,267
Governance costs	19,516	24,746	87,469	13,336	9,399	(154,466)	–
Total expenditure 2019	294,924	373,956	1,321,812	201,534	142,041	–	2,334,267

Notes to the financial statements

For the year ended 30 September 2020

7 Net income/(expenditure) for the year

This is stated after charging/(crediting):

	2020 £	2019 £
Depreciation		
owned by the charity	34,989	37,352
Operating lease rentals:		
property	141,841	144,885
Auditor's remuneration (excluding VAT):		
audit	8,700	8,500
Loss on disposal of assets	–	4,682
Trustees' remuneration (see note 8)	8,000	8,000
Trustees' expenses	3,179	8,231

Trustees' expenses represents the travel and subsistence costs for 7 (2019: 10) members relating to attendance at meetings of the trustees and other UKCP business.

8 Trustees' remuneration

During the year honoraria were paid to the following trustees and officers of the charity:

	2020 £	2019 £
M Pollecoff	8,000	8,000

Payment of the Chair's honorarium has been agreed by the Charity Commission.

9 Analysis of staff costs and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	994,287	867,180
Social security costs	96,322	83,409
Employer pension contributions	83,023	54,372
Temporary staff costs	–	3,364
Redundancy and termination costs	–	12,500
	1,173,632	1,020,825

Of the £1,173,632 staff costs (2019: £1,020,825), £335,547 (2019: £327,217) relates to the Complaints and Conduct Process Designated Fund.

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension contributions) during the year between:

	2020 No.	2019 No.
£80,000 – £89,999	–	1
£90,000 – £99,999	1	–

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £273,796 (2019: £225,897).

Notes to the financial statements

For the year ended 30 September 2020

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Professional and other services	27	24
Administration	2	2
	<u>29</u>	<u>26</u>

11 Related party transactions

During the year, honorarium payments were made to one trustee of the charity. This is disclosed in note 8 to these accounts.

Some members are paid a token amount for specific pieces of work undertaken on behalf of the Charity, although these amounts are in no way meant to reimburse them at market rates. Members and trustees receive reimbursement for travel expenditure whilst on charity business which are all part of the normal course of business. There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

During the year, an amount of £36,850 (2019: £33,000) was paid to Kelsey Publishing Limited for advertising in Psychologies Magazine. Suzy Walker, a Trustee, is the editor of the magazine. The contract was awarded before Ms Walker was appointed a Trustee.

During the year some Trustees were paid for presenting online lectures. Payments were made to M Pollecoff (£750), D Charura (£500) and J Rosenfeld (£1,000) (2019: nil).

12 Taxation

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

13 Tangible fixed assets

	Short term leasehold property £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost				
At the start of the year	181,980	99,284	32,502	313,766
At the end of the year	<u>181,980</u>	<u>99,284</u>	<u>32,502</u>	<u>313,766</u>
Depreciation				
At the start of the year	37,914	52,551	18,370	108,835
Charge for the year	18,198	11,683	5,108	34,989
At the end of the year	<u>56,112</u>	<u>64,234</u>	<u>23,478</u>	<u>143,824</u>
Net book value				
At the end of the year	<u>125,868</u>	<u>35,050</u>	<u>9,024</u>	<u>169,942</u>
At the start of the year	<u>144,066</u>	<u>46,733</u>	<u>14,132</u>	<u>204,931</u>

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 30 September 2020

14 Listed investments

	2020 £	2019 £
Market value at the start of the year	272,330	264,541
Net gain on revaluation	1,521	7,789
Market value at the end of the year	<u>273,851</u>	<u>272,330</u>
Investments comprise:	2020 £	2019 £
UK Common investment funds	<u>273,851</u>	<u>272,330</u>
Historical cost	2020 £	2019 £
	<u>200,000</u>	<u>200,000</u>

15 Debtors

	2020 £	2019 £
Trade debtors	100	1,869
Other debtors	37,738	28,275
Prepayments	98,089	103,939
	<u>135,927</u>	<u>134,083</u>

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	158,874	139,997
Other taxation and social security	48,715	24,490
Other creditors	49,629	91,161
Accruals	137,995	69,508
Deferred income (note 17)	158,205	134,966
	<u>553,418</u>	<u>460,122</u>

17 Deferred income

Deferred income comprises membership income for 2020–2021.

	2020 £	2019 £
Balance at the beginning of the year	134,966	117,718
Amount released to income in the year	(134,966)	(117,718)
Amount deferred in the year	158,205	134,966
Balance at the end of the year	<u>158,205</u>	<u>134,966</u>

18a Analysis of net assets between funds (current year)

	Designated funds £	General funds £	Total funds £
Tangible fixed assets	–	169,942	169,942
Investments	–	273,851	273,851
Current assets	59,863	814,417	874,280
Creditors due within 1 year	–	(553,418)	(553,418)
Net assets at the end of the year	59,863	704,792	764,655

18b Analysis of net assets between funds (prior year)

	Designated funds £	General funds £	Total funds £
Tangible fixed assets	–	204,931	204,931
Investments	–	272,330	272,330
Current assets	224,675	723,117	947,792
Creditors due within 1 year	–	(460,122)	(460,122)
Net assets at the end of the year	224,675	740,256	964,931

Notes to the financial statements

For the year ended 30 September 2020

19a Movements in funds (current year)

	At 1 October 2019 £	Incoming resources and gain £	Outgoing resources and losses £	Transfers in/(out) £	At 30 September 2020 £
Restricted funds:					
Trainee Bursary Scheme	–	9,506	(9,506)	–	–
Total restricted funds	–	9,506	(9,506)	–	–
Unrestricted funds:					
<i>Designated funds:</i>					
Trainee Bursary Scheme	–	–	(16,804)	20,000	3,196
Complaints and Conduct Process	224,675	516,101	(684,109)	–	56,667
<i>Total designated funds</i>	224,675	516,101	(700,913)	20,000	59,863
General funds	740,256	1,956,016	(1,971,480)	(20,000)	704,792
Total unrestricted funds	964,931	2,472,117	(2,672,393)	–	764,655
Total funds	964,931	2,481,623	(2,681,899)	–	764,655

Purposes of restricted funds

The Trainee Bursary Scheme was created to award bursaries to UKCP trainees in their final year of training. Donations have been received from members and the general public. Direct costs are attributed to the fund.

Purposes of designated funds

The Complaints and Conduct Process designated fund is funded from membership subscriptions and the general fund. The fund is used to cover the costs of operating the Complaints and Conduct department and any related expenses. Funds are transferred from general reserves to cover expenses during the year.

The Trainee Bursary Scheme was created to award bursaries to UKCP trainees in their final year of training. £20,000 from general funds was transferred to the designated fund during the year. Funds not awarded are carried forward to future years.

Notes to the financial statements

For the year ended 30 September 2020

19b Movements in funds (prior year)

	At 1 October 2018 £	Incoming resources and gains £	Outgoing resources and losses £	At 30 September 2019 £
Unrestricted funds:				
<i>Designated funds:</i>				
Complaints and Conduct Process	357,848	374,638	(507,811)	224,675
<i>Total designated funds</i>	357,848	374,638	(507,811)	224,675
General funds	600,086	1,966,626	(1,826,456)	740,256
Total unrestricted funds	957,934	2,341,264	(2,334,267)	964,931
Total funds	957,934	2,341,264	(2,334,267)	964,931

Purposes of designated funds

The Complaints and Conduct Process designated fund is funded from membership subscriptions and the general fund. The fund is used to cover the costs of operating the Complaints and Conduct department and any related expenses. Funds are transferred from general reserves to cover expenses during the year.

20 Operating lease commitments

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

	Land and buildings	
	2020 £	2019 £
Less than one year	181,091	181,091
Between one and five years	147,136	328,227
	328,227	509,318

21 Legal status of the charity

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