

THE INNER CITY CENTRE

(Charity No. 1060874)

(Company No. 3316511)

Annual Report

For the period ended 31st July 2020

THE INNER CITY CENTRE
Annual Report
For the year ended 31st July 2020

	Pages
Trustees/Directors and advisers to the company	3
Trustees'/Directors' report	4 - 8
Report of the independent examiner	9
Statement of Financial Activity	10
Statement of Financial Position	11
Notes to the financial statements	12 - 15

THE INNER CITY CENTRE

Trustees/Directors and Advisers

Trustees/Directors

Ms A A M McCabe
Mr A R J Park
Dr C J Ralph
Ms J. Baker
Ms. S. E. Campbell
Ms. J. Cobb
Ms. D. K. Fitzgerald
Ms. D. H. Goodes
Ms. L. A. H. Pavincich
Mr. R. H. Tollemache
Ms I Bakal (appointed November 2019)

Independent examiner

Bell & Co (Accountancy Services) Ltd
Unit 1(a) Factory 2
Phoenix Park,
Chickenhall Lane
Eastleigh
Hampshire SO50 6PQ

THE INNER CITY CENTRE

TRUSTEES'/DIRECTORS' REPORT

The Directors present to the members the financial statements of the Company for the period ended 31st July 2020, together with their report. In preparing this report, the Directors have taken advantage of some of the special exemptions applicable to small companies.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company, enabling them to ensure that the accounts comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In determining how amounts are presented within items in the Statement of Financial Activity and Statement of Financial Position, the Directors must have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

OBJECTS AND PRINCIPAL ACTIVITIES

The company is a registered charity and the object and principal activity is the protection and preservation of mental and emotional health and stability by the provision of psychoanalytical psychotherapy and training in mental health care, the education and training thereto and the research in connection with the foregoing (the useful results of which will be made available to the public) in all respects in accordance with the Law of Charity of England and Wales. There have been no changes in the objectives of the charity during the year.

The Trustees have paid due regard to the guidance by the Charity Commission on public benefit in deciding what activities the trust should undertake

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Directors, listed on page 3, are appointed by election to the management committee. They are the guarantors of the Company to an amount not to exceed £1 per person. The company is limited by guarantee and is prohibited from making any form of distribution to the guarantors. The trust deed provides for a minimum of three trustees. The governing document is available for viewing at the registered office of the charity.

All Directors/trustees provide their services without reward

ANNUAL REVIEW

Achievement and Performance

This is my third and final annual report since taking on the role of Chair in June 2017. It's been another busy year on Council mainly on account of changes in the administrative systems, changes to the referral system and then the unexpected Covid pandemic which has been an unexpected challenge for all of us.

This year we were pleased to welcome Ilana Bakal to Council as a member trustee. Ilana is also Chair of the Publicity and PR Committee, which now means there is a much better link between the committee and Council. Unfortunately a possible candidate for the role of external trustee had to withdraw due to a change of circumstances related to the Covid pandem-

ic. There continues therefore to be a need for external trustees with marketing and business skills.

Our administrator, Ruann Rajakarana, resigned from the position during the year, after about 18 months in role. We have been fortunate to recruit Pilar Lafuente and Maria Oakley who are job-sharing the role, with Pilar doing the general administrative duties while Maria focuses on developing and managing our data collection system. The new administrative team is working well together, with Council and with the Referral Therapists. As a result we now have a solid and well organised general administrative system in place, while we continue to work on streamlining the data collection system to make it more efficient both for the administrators and for members.

After a suggestion made by the Clinical Committee to improve and develop our Patient Information Form, we now have 2 simpler forms, including an Equality and Diversity form for patients to complete. These forms are now fully interactive, which makes them easier and quicker to complete, and to send by email, thereby avoiding unnecessary use of paper and postage costs. However, there continues to be a backlog of data missing from the last 2 years, and to be some difficulty with members sending updates on their patients' data to the administrative team, which needs further attention.

Thanks to the strong working group led by Colin Ralph, the Clinical Forum has had another successful year, with 3 well attended Clinical Forums taking place during the year, including a Forum on changes to the referral system, and two online sessions on the clinical implications of online practice with patients during the Covid pandemic.

Our income from room rentals at St Margarets House continues to be good. However, in recent months, since the lockdown, the room has had an extended period of not being used while members were working online. Our plans to seek a second consulting room at St Margaret's House have been shelved for the time being, until the rate of room rentals picks up again, hopefully after the Covid pandemic has subsided. We have therefore decided to donate the furniture from our room at The Tower to charity, and are grateful to Sue Wright for housing this furniture in the interim. I am pleased to report that we now have secured authorisation from St Margaret's House to use the postal address as ICC's registered address. However, there remain a number of boxes of files containing essential ICC records which we are legally obliged to retain, and which need to be stored. One possible solution is to store them under the couch in our room at St Margaret's House, or in a small locked cupboard in the room.

I am delighted to report that Ilana Bakal has worked well in her role of Chair of the Publicity and Public Relations Committee to develop a range of creative ideas for increasing the profile of the ICC, in the hope of attracting patients within a wider range of fees, so as to offset the high volume of low fee paying patients with patients who can afford a more standard rate. Ilana has overseen a modernisation of the website this year which is now custom designed, and will therefore last longer than the previous site which was built on a template. The website now has improved security, with the facility for each member to have their own username and password.

I am most grateful to Louise Woodhead for her enormous contribution as Referrals Manager this year. Together with the Working Party on the Clinical Management of Referrals, she has introduced some key changes to the referral service in order to make the role more manageable. With the introduction of a new administrative fee, which members of the public are asked to pay before being allocated to a suitable therapist, this has hopefully led to there be-

ing fewer inappropriate enquiries to manage from people who are not ready to commit to the process. Unfortunately Karen Stobart is resigning from the role of Referral Therapist but thankfully Eugene Doyle has offered to step up in the interim. Sadly also Louise has decided to stand down from her role as Referrals Manager at the end of 2020. Her wealth of experience and knowledge will be greatly missed.

I would also like to thank Wendy Postans for continuing to work tirelessly on collating and analysing our CORE forms.

Thanks are also due to Deirdre Fitzgerald and Lesley Pavincich, Joint Membership Secretary, for continuing to manage the recruitment and retirement processes of members.

I would also like to thank Jenny Cobb, Room Hire manager, and Diana Kohler, Room bookings co-ordinator, for their work in taking care of our room bookings. Jenny has also developed some ICC guidelines for members who are returning to see patients in person during the pandemic.

A new development this year has been the launch of a Young Person's Group, offering group psychotherapy to people up to the age of 25. This group will be subsidised by the Gillian Parker Fund, currently at £5,920 in total. This is a restricted fund which represents the value of grants received for the purpose of providing bursaries for people who are in low-paid work or part time employment. This fund will be used to enable a limited number of patients who can only pay £5 per session to access the therapy for a time limited period of one year. It will be run as a pilot project, starting in November 2020, and will be reviewed after 6 months. The group is open to referrals currently.

I am grateful to Rose Baring and Deborah Goodes for their work on developing 3 new policies for ICC, including an Equality and Diversity policy, a Grievance procedure and a Disciplinary procedure.

Thanks also go to Deirdre Fitzgerald and Jo Baker for stepping in to co-chair the Fundraising Committee for a temporary period, until a Chair person is found. We are grateful to Roger Fife and Richard Backes who have resigned from the committee, and to Monica Flakowicz and Sue Freeman for joining.

Finally to all those members who I haven't named but who have also contributed to the life and future of the ICC I wish to thank you all and say what a pleasure it's been to work with you all in protecting and promoting the future of our organisation.

Anneke McCabe

Chair, Inner City Centre, 26th October 2020

Financial Review

Once again, the ICC performed better than expected in 2019-20, despite the backdrop of the severe challenges posed by the onset of Covid-19 during the second half of the financial year, returning a surplus of £4240 rather than the budgeted £1230 deficit. This result is misleading however, as it is significantly boosted by the injection of £2250 from a combination of donations and very successful fundraising in conjunction with Bart's Choir, and a donation of £1000 from GAN London (Group Analytic Network) to support the new Young People's Group. These windfalls are not indicators of the organisation's operating performance and they cannot be relied on to reflect anticipated income for future years. With these excluded, the surplus shrinks to less than £1000 which is a good performance given the very challeng-

ing circumstances, but only a very small reassurance for the ongoing challenges to be faced in the coming financial year.

While membership subscriptions were exactly as anticipated, income from room rentals was 30% (£2700) higher than expected due to increased room use. The nominal fee from the Clinical Forum online training sessions boosted 'other income' to 66% (£163) above budget, although this was offset by the cost of providing the training.

Following the change in the referral process introduced at the start of the year, the new 'administration fee' yielded £1600 which, when combined with referral fees of just £3520, represents a significantly (36%) lower than expected income from the overall referral process. This represents a 20% drop in referral income during 2019-20 (building on a 25% drop in the previous year). The precise reason for this is not clear as there are three variable factors: firstly, administrative disruption during the first half of the year resulted in delays and a lack of clarity in the collection of some referral fees; secondly, a new referral process was introduced during the year, which is likely to have produced some effect on the referral rate; and thirdly, the referral process was disrupted by the arrival of Covid-19, both by the initial suspension of referral intakes for a period, and because of a significant drop in the number of potential patients seeking access to therapy early in the pandemic.

The final result was supported by a total expenditure £1700 (6%) below budget, of which £700 reflects a number of expected costs for which there was no actual spending (fundraising, general, IT software, repairs & sundries). Referral Therapist costs were 25% (£3000) below budget due to under-invoicing, while room rental costs were 20% (£1215) below budget due to a short-term concession offered by the landlord to help support the ICC through Covid-19. On the other hand, administrator costs were £1500 (25%) above budget reflecting the overlap period between incoming and outgoing administrators; and website costs were £1000 (40%) above budget due to the redevelopment of the website onto a more sustainable platform during the year.

After four years of modest surplus returns the ICC now has unrestricted reserves of around 9 months running costs which is above the commonly accepted level of 3 to 6 months running costs, making it difficult to apply for external grant funding. The ICC, however, does not have a recent history of applying for grant funding and, Council has taken the view that, for a small organisation operating on a very slim margin, where the balance between deficit and surplus is very tight, a more realistic target is 9 to 12 months running costs.

Under usual circumstances, returning a modest surplus against the backdrop of sustainable reserves begins to give the organisation the opportunity to focus its energy and resources on developments either of scale or projects. Under current uncertain circumstances it provides the ICC with some additional resilience for facing the ongoing challenges of the Covid-19 pandemic, into the next financial year.

Alistair Park,
Treasurer, Inner City Centre, 13 November 2020.

RESERVES

At present, all our reserves are in Current and Deposit Accounts with Barclays Bank. The Trustees continue to monitor the investments held to achieve the best return consistent with security and liquidity.

The Trustees are aware that current reserves represent around nine months running costs and have taken the view that for a small organisation operating on a very slim margin, where the balance between deficit and surplus is very tight, a realistic target is 9 to 12 months running costs. Reserves are held in the Designated Fund.

RISK REVIEW

The charity relies on income from grants, donations, membership fees together with referral fees and room rentals. It recognises that should the memberships referrals and rentals even be slightly restricted the charity would be unable to fully maintain its operations. The Charity considers that were either source of funds to fall by a material amount then its net current assets would be sufficient to maintain itself for at least six months, and that whilst higher levels of reserves would be desirable, this level is a reasonable and sufficient reserve to be held.

By the very nature of the services provided by the charity there are risks associated with working with people with mental health problems. The charity mitigates this risk by:

- 1) Performing individual risk assessments of all proposed clients in advance.
- 2) All Members are professionally qualified and registered and operate within the code of ethics of their registering body.
- 3) Standard operating procedures are there to protect and maintain the safety of all within the organisation.

RESULTS AND DIVIDENDS

The Surplus for the period amounted to £4,239. The Company is not empowered to make a dividend payment.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to the company.

Registered Office:
21 Old Ford Rd.

London
E2 9PL

By order of the Board


Secretary (Trustee)

Name: Jo Baker

Signature:

Date:

8


13/12/20.

THE INNER CITY CENTRE

Report of the Independent Examiners to the members of THE INNER CITY CENTRE

We report on the financial statements on pages 9 to 14, which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and examiner

As described on page 4 the company's directors are responsible for the preparation of financial statements, you consider that the audit requirement of section 144 of the Charities Act 2011 (the Act) does not apply. It is our responsibility to state on the basis of the procedures specified in the General Directions given by the Charity Commissioners under section 145(5)(b) of the Act, whether particular matters have come to my attention.

Basis of independent examiners' report

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from your directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiners' report

In connection with our examination, no matter has come to our attention:

1 which gives us reasonable cause to believe that in any material respect the requirements have not been met:

- a) to keep accounting records in accordance with section 41 of the Act; and
- b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act;

or

2 to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Bell & Co (Accountancy Services) Ltd.
Chartered Accountants

Eastleigh

THE INNER CITY CENTRE

Statement of Financial Activity For the year ended 31st July 2020

	Notes	2020	2020	2020	2020	2019
		£	£	£	£	£
		Restricted	Unrestricted	Designated	Total	Total
Donations, grants & subscriptions	2(a)	1,000	13,623	-	14,623	13,263
Income from charitable activities	2(b)	-	17,213	-	17,213	23,717
Income from investments	2(c)	-	-	49	-	49
46						
Total Incoming Resources		<u>1,000</u>	<u>30,885</u>	<u>-</u>	<u>31,885</u>	<u>37,026</u>
Costs directly related to charitable						
Activities	4(a)	-	13,795	-	13,795	16,336
Administrative costs	4(b)	-	13,851	-	13,851	12,329
Total Resources Used		<u>-</u>	<u>27,646</u>	<u>-</u>	<u>27,646</u>	<u>28,665</u>
Net Incoming/ (outgoing) Resources	7	1,000	3,239	-	4,239	8,361
Transfers between funds		-	-	-	-	-
Fund balances brought forward	7	<u>4,920</u>	<u>9,328</u>	<u>10,600</u>	<u>24,848</u>	<u>16,487</u>
Fund Retained Surplus at end of year	7	<u>5,920</u>	<u>12,567</u>	<u>10,600</u>	<u>29,087</u>	<u>24,848</u>

None of the company's activities were acquired or discontinued during either financial year.

The company has no recognised gains or losses other than the surplus / (deficit) above for either year.

The notes on pages 12 to 15 form part of these Financial Statements.

THE INNER CITY CENTRE

Statement of Financial Position At 31st July 2020

	Notes	2020 £	2019 £
Current assets			
Debtors		-	-
Cash in hand and at bank	5	<u>35,609</u>	<u>30,791</u>
		35,609	30,791
Creditors - amounts falling due Within one year	6	<u>(6,522)</u>	<u>(5,913)</u>
Net current assets/ (liabilities)		29,087	24,878
Total assets less current liabilities		<u>29,087</u>	<u>24,878</u>
Represented by:-			
Shareholders' Capital funds	7		
Unrestricted			
General			
Balance at 31st March 2019		12,567	9,328
Designated			
Balance at 31st March 2019		10,600	10,600
Restricted			
Balance at 31st March 2019		<u>5,920</u>	<u>4,920</u>
Total		<u>29,087</u>	<u>24,878</u>

For the year ended 31st July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with s476.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to company's subject to the small companies' regime.

The financial statements on pages 9 to 15 were approved by the directors on and were signed on their behalf by:-

Treasurer/Director (Trustee)

Name: Alistair Park

Signature:

Date:

17/12/20

Chair/Director (Trustee)

Name: Anneke McCabe

Signature:

Date:

17/12/20

The notes on pages 12 to 15 form part of these Financial Statements

THE INNER CITY CENTRE

Notes to the financial statements For the year ended 31st July 2020

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared on the basis of historic cost in accordance with the Charities SORP (FRS102) i.e. the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015) and the Companies Act 2006.

Income

Income comprises subscriptions, donations, grants, referral fees and room rentals receivable, where grants are made in respect of a specific time period they are treated as debtors provided that they are subsequently received in full. The income is derived from activities in the U.K.

Taxation

No UK taxation is payable due to the charitable status of the company.

Operating Leases

Lease payments in respect of operating leases are charged to the Profit and Loss as incurred.

Funds

The restricted funds exist due to the receipt of grants and donations for specific purposes. The costs of raising and administering such funds are charged against the specific fund.

Expenditure

Expenditure is allocated between the charitable activities and administrative costs on an actual basis. For details as to the nature of these costs, see notes 4(a) and 4(b).

THE INNER CITY CENTRE

Notes to the financial statements For the year ended 31st July 2020 (continued)

	2020 £	2020 £	2020 £	2020 £	2019 £
2. Income	Restricted	Unrestricted	Designated	Total	Total
(a) Donations, Grants and subscriptions					
Donations	1,000	2,685	-	3,685	2,290
Fundraising	-	1,238	-	1,238	1,273
Membership subscriptions	-	9,700	-	9,700	9,700
	<u>1,000</u>	<u>13,623</u>	<u>-</u>	<u>14,623</u>	<u>13,263</u>
(b) Charitable activities					
Referral fees receivable	-	3,517		3,517	6,507
Administration fees	-	1,600	-	1,600	-
Room rentals	-	11,682	-	11,682	16,949
Other income	-	414	-	414	261
	<u>-</u>	<u>17,213</u>	<u>-</u>	<u>17,213</u>	<u>23,717</u>
(c) Investment income					
Interest receivable	<u>-</u>	<u>49</u>	<u>-</u>	<u>49</u>	<u>46</u>
	<u>1,000</u>	<u>30,885</u>	<u>-</u>	<u>31,885</u>	<u>37,026</u>

3. (a) Trustee/Directors' remuneration

Trustees are not permitted to receive any remuneration under the Articles of the company. Hence, no remuneration was paid in the period. Trustees are all directors. Member trustees are all Psychotherapists; who pay subscription fees to the organisation to maintain their membership – 2020: £9,700 (2019: £9,700). Clients are assessed and passed on to suitable therapists who will then pay the organisation a referral fee – 2020: £3,517 (2019: £6,507). Two referral therapists (also members) are paid by the organisation for their referral work 2020: £8,710 (2019 £10,316).

THE INNER CITY CENTRE

Notes to the financial statements For the year ended 31st July 2020 (continued)

	2020 £	2020 £	2020 £	2020 £	2019 £
	Restricted	Unrestricted	Designated	Total	Total
4(a). Costs directly related to charitable activities					
Referrals Therapists	-	8,710	-	8,710	10,316
Staff training	-	300	-	300	-
Rent and rates	-	4,785	-	4,785	6,020
	<u>-</u>	<u>13,795</u>	<u>-</u>	<u>13,795</u>	<u>16,336</u>
4(b). Administration costs					
Professional fees	-	7,542	-	7,542	7,250
Bookkeeper	-	1,000	-	1,000	780
Insurances	-	678	-	678	654
Fundraising costs	-	-	-	-	226
PPS	-	205	-	205	38
Telephone	-	666	-	666	745
Trustee and governance costs	-	505	-	505	353
Website development	-	2,511	-	2,511	1,366
Sundries	-	120	-	120	305
Independent examiners fees	-	624	-	624	612
	<u>-</u>	<u>13,851</u>	<u>-</u>	<u>13,851</u>	<u>12,329</u>
	<u>-</u>	<u>27,646</u>	<u>-</u>	<u>27,646</u>	<u>28,665</u>

THE INNER CITY CENTRE

Notes to the financial statements For the year ended 31st July 2020 (continued)

	2020 £	2019 £
5. Cash in hand and at bank		
Business Premium Account	19,926	15,132
Community Account	500	500
P10 Account	<u>15,183</u>	<u>15,159</u>
	<u>35,609</u>	<u>30,791</u>
6. Creditors - amounts falling due within one year		
Income in advance	5,400	4,200
Sundry	-	1,131
Accountants	<u>1,122</u>	<u>612</u>
Total accruals	<u>6,522</u>	<u>5,943</u>

7. Capital Fund

The company is limited by guarantee. That guarantee is restricted to £1 per member. The company is disbarred by its Articles of association from making a distribution to its members. The capital funds are represented primarily by money in the bank.

Unrestricted

General

Balance at 1st August 2018	9,328
Surplus for the year	3,239
Transfer from Designated Fund	-
	<u>12,567</u>

Designated

Balance at 1st August 2018	10,600
Deficit for the year	-
Transfer from Designated Fund	-
	<u>10,600</u>

Restricted

Balance at 1st August 2018	4,920
Surplus/ (Deficit) for the year	<u>1,000</u>
	<u>5,920</u>

Total

29,087

The restricted fund represents the value of grants received for the purpose of providing bursaries for people who are in low-paid work or part time employment.