

Company registration number: 03838253

Charity registration number: 1077365

Psychosynthesis and Education Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Field Sullivan Limited
70 Royal Hill
Greenwich
SE10 8RF

Psychosynthesis and Education Trust

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Psychosynthesis and Education Trust

Reference and Administrative Details

Trustees	Glyn Bottrell
	Sue Fox
	Emma Marinos
	John Hughes
	Christopher Nicholls
	Michael Shaw
	Penny Terndrup
	Phillipa Watson
	Lady Diana Whitmore
Principal Office	92-94 Tooley Street London SE1 2TH
Company Registration Number	03838253
Charity Registration Number	1077365
Bankers	Barclays Bank PLC Southwark Branch 29 Borough High Street London SE1 1LY
Auditor	Field Sullivan Limited 70 Royal Hill Greenwich SE10 8RF

Psychosynthesis and Education Trust

Trustees' Report

The following summary provides an update on our organisational highlights and priorities during the reporting year of 2019/2020. It also includes a summary of the impact that the COVID19 pandemic has had on our organisation and our work.

Our Core Training Offer:

Despite a challenging year of navigating the COVID19 pandemic, I am pleased to report that the demand and enrolment for the Psychosynthesis Trust's core training offer is the highest it has been since 2008.

Early into the outbreak in March 2020, our educational Programmes moved in its entirety to a set of virtual platforms. This was an incredible effort, not only because it was transitioned at such speed and embraced by our team, trainers, tutors, and students, but because it allowed us to deliver business continuity for this core aspect of our work, ensuring that needs were being met and in a way that did not compromise the quality of training or our ethical standards. Although there were some challenges with a small number of students who needed to defer studies, such as for those working as NHS frontline staff, the deferral rate remained very low. Students have been grateful and supportive of the efforts and smooth transition of their learning.

Furthermore, our intake into the 4 stages of core study programmes that we offer have increased significantly compared to the growth we were already seeing pre-COVID. Our September 2020 core intake revenue was up 39% vs September 2019, and our February 2021 intake revenue was up 50% year-on-year. Our course fees only increased by 5% over this period, so the real term uplifts still show double-digit growth, which we can attribute to the accessibility afforded to by an online study offering, people looking to find new flexible career options, and people seeking more meaning - both for themselves and in wanting to serve others.

We have needed to make several adaptations to our existing training offer such as:

- Decreasing the number of people per study group for easier working online.
- Increasing the frequency of Essentials (our entry level course), so that we can meet the increased demand with a smaller group size and feed the pipeline for future years of growth.
- Developing an online learning and study skills platform which gives students access to pre-reading material, study guides, training notes, and book lists (this was previously paper based).
- Created an online working group which helps to assess the risks and good practice for working online.

In addition to adapting how we deliver our core training offer, there was substantial continued development of our core curriculum including refining our learning philosophy, student progression, learning outcomes, and core content themes such as intersectionality. We have started to pilot a new 'assessment' process which we hope will help students understand their progress earlier in their student journey. We have maintained regular engagement with professional bodies of BACP and UKCP so that we maintain an up to date understanding of professional requirements.

We have attributed the success of our core training offer to the dedicated and talented Core and Training Team, which includes about 30 trainers, supervisors, and tutors. To support the increased demand for our work and to ensure delivery of our high-quality offer, we have invested in 3 additional training team 'Year Lead' roles to support the student journey. Although the additional resource has helped to increase capacity, there continues to be a heavy workload for the Core Team staff given the increased activities and complexities as a result of working online.

We continue to develop and extend our offer and reach through our CPD programmes which are running more regularly and involve graduates and trainers of the Trust as well as our peers from European Psychosynthesis networks.

Our Counselling and Low-Cost Counselling Services Offer:

Psychosynthesis and Education Trust

Trustees' Report

As for our Counselling Services offer, the demand for full fee-paying counselling services has decreased whilst we have seen an increase in our low-cost counselling offer. As this is an important part of our charitable mission, we continue to develop this low-cost offer and to find ways to expand the service to more people in need, given the rise in anxiety and mental health issues we see in the world. One way this has been achieved is by opening our Student Placement Service to students from other training organisations. There has been a smooth transition in the Counselling Services Manager role which took place in the Spring of 2020, when our long-serving manager retired.

Our Room Rental Offer:

The most significant impact on income was felt in the tertiary area of our revenue streams - the room rentals - as the perishability of this service became more apparent, first through building closure, and later when national restrictions and furtherance of the virus kept people away from using a physical setting. When we have been able to open, we have done so within COVID secure measures and have limited access only for high priority clients in need during times of local and national restrictions.

2019 revenues for room rentals averaged at around £33,000 per month, and we projected 2020 to bring a 5% growth in these revenues which would have seen the average rise to £34,650. We closed our building on 17th March 2020 after learning of people developing symptoms of coronavirus who had been in our building the previous weekend.

Strategic, Governance Operational infrastructure:

Our newly appointed Programmes Director, and Finance and Operations Director, have fully bedded into their roles and are making significant contributions to the Trust. This included bringing in new team members and supporting the development of existing team members. We continued to place emphasis on developing our organisational effectiveness, including ensuring we have clarity in our purpose, values, roles, strategic priorities, and decision-making processes. We have worked closely with our team this year to support their well-being at work especially in the context of working from home.

The Board continued to meet quarterly throughout the period (virtually during the pandemic) and used additional 'emergency' meetings for COVID19 planning and risk assessment. Two new Board members joined us during this financial period. We have actively monitored and assessed the COVID19 situation and have formally assessed associated risks on a weekly and monthly basis. It has been very important to us to work with our community to understand their needs during this challenging time as well as regularly communicate to them the measures developed and put in place to ensure their safety whilst supporting them to continue their work.

A new cloud-based accounting software, and migration of our file server to the cloud, was completed in November 2019, which subsequently made the transition to home-based working seamless in terms of functionality. Whilst our building has been closed, this has provided an opportunity implement new operational improvements including a new room booking system and a new phone system. We are also implementing recommendations from an independent 'sustainability audit' in order to reduce our environmental footprint.

Financial Performance:

From a financial reporting perspective, the Annual Financial Reports for the accounting year 2019/20 reflect a surplus of £22.2k. This is down 84% on the 2018/19 surplus of £136.1k.

We hold cash balances of £495k.

This is down 1% on 2018/19 cash balance of £498.7k.

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Trustees' Report

Total income was £978.2k and this is an 13% decrease compared to 2018/19 turnover of £1.13m.

Our student numbers have increased to 133 for 2019/20 compared to 131 for 2018/2019 (Sept 2019), 128 students for 2017/18 (Sept 2018)). Attendees of our entry point programme, The Essentials of Psychosynthesis, continued to grow to £42.8k and 4% compared to £41.9k and 4% for 2018/19.

Our Counselling Services activity, including our low-cost offering, has earned £76.1k this is 8% compared to £99.2k income and 9% in 2018/19.

Our room rental business has decreased its revenue to £230.3k this a 40% drop compared to £381k in 2018/19.

Management and mitigation against cash flow risk

Despite the uplift in Programmes' revenues, and the relative stability of the Counselling Services, the impact on room rentals threatened our budget and cashflows. A set of projection scenarios were modelled with the Trustees, and these remained "live" so they could be adapted over the course of the pandemic as we learned more. Focus, as it ought to in times of crisis, turned to mitigating cashflow risk. A traffic light system of monitoring was developed for cashflow which targeted levels associated with budgetary expenditure.

The following detail includes post-reporting information:

How we are increasing revenues and recognising emerging markets:

- Expanding the capacity of new students again in September 2021 by 50% to 45 (from 30). The likelihood of filling these spaces is high, and this will generate a minimum £55,425 of additional revenue.
- Our Stage 1 Essentials course has increased in frequency (from 6 to 11 annually). Despite offering fewer spaces on each course because of virtual limitations, this expansion generates an additional £9,450 per annum.
- What is emerging as we start recovery in physical space rental is the shift to counselling and therapy to a hybrid model where a percentage of sessions will remain online. We are making a small investment into our IT infrastructure and hardware to offer hybrid counselling rooms. We have successfully trialled this innovation over the past few months. It is difficult to quantify any projection on this development, but it will prevent the loss of all bookings that are delivered virtually.
- We have agreed to end the lease of our tenants from 1st April 2021 as they restructure and implement cost efficiency measures of their own. This impacts our future (unbudgeted) revenues by £24,000 p/a. This does however release a whole floor of physical space which is allowing us to expand our Programmes offer and construct 3 additional counselling rooms which has the potential revenue of £29,250 p/a post-recovery.
- We are also looking at ways of increasing our Counselling Services. Feedback tells us that around 75% of new clients enter the service based on word-of-mouth, so there is potential to grow this with a marketing plan, as well as the natural growth that aligns with a rise in student numbers.

How we are reducing our budgeted expenditures:

- There is a natural reduction in expenditures whilst the room rentals remain at low levels (cleaning, supplies, etc).
- By remaining closed at weekends there are savings being made on current staffing, and the budgeted recruitment we had planned for weekend expansion has been paused.
- We ran without a Facilities Manager whilst the building was closed (the previous person had left just before the pandemic started). Our terms of recruitment included holding the role in a part-time position whilst room rentals remained low, saving 60% of the budgeted salary expenditure.
- We have renegotiated or cancelled various contracts that were due to expire. The new mortgage levels will save £1,755 p/a, phone line renegotiation savings are £1,010 p/a, another aesthetic contract cancellation will save £929 p/a.

Accessing the most prudent financial support packages:

- Decision made to not take loans whilst cashflow remained RAG-rated green or amber.
- 2 grant bids (totalling £55k) for recovery were rejected.

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- We have made use of the furlough scheme to protect jobs that were under threat through role reduction/need. To date we have claimed £28,527 from HMRC.
- We have accessed the Additional Grants from the local authority for remaining open during national restrictions, and to date have claimed £9k.
- We have an outstanding insurance claim for business interruption in the first appeal process.
- We are working with peer organisations (who lease counselling spaces) to enable systems change, navigate the pandemic in collaboration, and lobby the Government for financial support for the sector.

During this accounting period:

- We estimate that the total incremental spend for direct COVID expenses total £4k.
- The total amount received in Government grants and furlough scheme has been £15k.
- The assumptive room revenue losses amount to £169.4k.

What is noteworthy is that at no point do we expect to run out of cash, nor drop to a sustained level that would be less than 25% of our budgeted expenditure.

Future projections:

Despite the downward trends we see in cashflow projections and the slower than anticipated recovery of room rental revenues, we are optimistic for the future beyond September 2021. The increase in Stage 1 Essentials course and Stage 2 Foundation course uptakes feed the pipeline for a further two years of study. We aim to offer an Advanced Diploma in October (a 2-year study that should generate revenue minimum of £28,000 p/a). We also can see an increase in need in the world for the core work that we do. We know that the demands and subsequent waiting lists are overwhelming the NHS.

COVID19 has also put a strain on our Core team given the heavy workloads and added complexity of running more programmes online. Having to monitor and constantly assess the Government's legislation and requirements has also required additional time from our staff. This has meant that we have had to put on hold several projects such as our university partnership development for our Advanced Diploma/MA. We will continue to run all our training online at least until September 2021.

Whilst the short-term future looks more secure, and the mid-term future looks bright, we are currently working on a longer-term risk strategy and ways of mitigating against known and unknown risks.

The principal risk is not being clear about the recovery rate for our room rental business, and if a potential economic downturn might reverse the high demand for our training courses, although we remain confident that with continued high demand for our core training offer, agile strategic planning, and financial risk mitigation, we will be able to adapt and ensure the long-term wellbeing of the Trust and its work. We are, however, being cautious in our building refurbishment plans which will depend on what we sense into in terms of the future of training delivery and counselling.

We will continue to restrict all non-essential spending and will ensure we have our Reserves Risk Assessment plan in place. This will be activated given different levels of Reserves.

We are confident that with all these measures in place the Psychosynthesis Trust will continue to be a 'going concern'.

It is with great admiration, appreciation, and respect that I want to thank the whole Trust community for their incredible efforts this year. Over the next year, we look forward to continuing to do all that we can 'to help reveal wholeness by helping people to awaken to who they really are'. The work of the Psychosynthesis Trust is needed now more than ever.

Psychosynthesis and Education Trust

Trustees' Report

On Behalf of the Board of Trustees,

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

The auditors Field Sullivan Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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Trustees' Report

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The trustees confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by the trustees of the charity on 13 May 2021 and signed on its behalf by:



.....
Penny Terndrup
Trustee

Psychosynthesis and Education Trust

Independent Auditor's Report to the Members of Psychosynthesis and Education Trust

Opinion

We have audited the financial statements of Psychosynthesis and Education Trust (the 'charity') for the year ended 31 August 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

Psychosynthesis and Education Trust

Independent Auditor's Report to the Members of Psychosynthesis and Education Trust

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 7), the trustees 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 charity'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 charity 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.

Psychosynthesis and Education Trust

Independent Auditor's Report to the Members of Psychosynthesis and Education Trust

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 charity'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 charity'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 are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

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 trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Psychosynthesis and Education Trust

Independent Auditor's Report to the Members of Psychosynthesis and Education Trust

.....
Timothy Sullivan FCA (Senior Statutory Auditor)
For and on behalf of Field Sullivan Limited, Statutory Auditor

70 Royal Hill
Greenwich
SE10 8RF

Date:.....

Psychosynthesis and Education Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Total 2020 £	Unrestricted funds £	Total 2019 £
Income and Endowments from:					
Donations and legacies	3	15,773	15,773	-	-
Charitable activities	4	890,671	890,671	1,056,519	1,056,519
Investment income	5	65,209	65,209	67,238	67,238
Other income	6	6,555	6,555	3,371	3,371
Total income		<u>978,208</u>	<u>978,208</u>	<u>1,127,128</u>	<u>1,127,128</u>
Expenditure on:					
Raising funds	7	(2,046)	(2,046)	(5,455)	(5,455)
Charitable activities	8	<u>(953,932)</u>	<u>(953,932)</u>	<u>(985,536)</u>	<u>(985,536)</u>
Total expenditure		<u>(955,978)</u>	<u>(955,978)</u>	<u>(990,991)</u>	<u>(990,991)</u>
Net movement in funds		22,230	22,230	136,137	136,137
Reconciliation of funds					
Total funds brought forward		<u>641,292</u>	<u>641,292</u>	<u>505,155</u>	<u>505,155</u>
Total funds carried forward	18	<u><u>663,522</u></u>	<u><u>663,522</u></u>	<u><u>641,292</u></u>	<u><u>641,292</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 18.

Psychosynthesis and Education Trust

(Registration number: 03838253)


Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	914,467	963,068
Current assets			
Debtors	14	219,144	46,115
Cash at bank and in hand		495,040	498,727
		714,184	544,842
Creditors: Amounts falling due within one year	15	(578,496)	(444,950)
Net current assets		135,688	99,892
Total assets less current liabilities		1,050,155	1,062,960
Creditors: Amounts falling due after more than one year	16	(386,633)	(421,668)
Net assets		663,522	641,292
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		663,522	641,292
Total funds	18	663,522	641,292

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard applicable in the UK and republic of Ireland (FRS102) (effective 1 January 2015).

The financial statements on pages 12 to 25 were approved by the trustees, and authorised for issue on 13 May 2021 and signed on their behalf by:



 Penny Terndrup
 Trustee

Psychosynthesis and Education Trust

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash income		22,230	136,137
Adjustments to cash flows from non-cash items			
Depreciation	7	48,602	48,603
Investment income	5	<u>(65,209)</u>	<u>(67,238)</u>
		5,623	117,502
Working capital adjustments			
(Increase)/decrease in debtors	14	(173,029)	11,680
Decrease in creditors	15	(7,869)	(78,289)
Increase in deferred income	16	<u>140,108</u>	<u>9,580</u>
Net cash flows from operating activities		(35,167)	60,473
Cash flows from investing activities			
Interest receivable and similar income	5	65,208	67,238
Cash flows from financing activities			
Repayment of loans and borrowings	15	<u>(33,728)</u>	<u>(31,384)</u>
Net (decrease)/increase in cash and cash equivalents		(3,687)	96,327
Cash and cash equivalents at 1 September		<u>498,727</u>	<u>402,400</u>
Cash and cash equivalents at 31 August		<u><u>495,040</u></u>	<u><u>498,727</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Charity status

The charity is limited by guarantee, incorporated in , and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

92-94 Tooley Street

London

SE1 2TH

These financial statements were authorised for issue by the trustees on 13 May 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Psychosynthesis and Education Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £400.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant & Machinery	10 years straight line
Fixtures & Fittings	4 years straight line
Office Equipment	4 years straight line
Freehold Property	50 years straight line

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the Statement of Financial Activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- 3) in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

3 Income from donations and legacies

	Unrestricted funds	Total 2020
	General £	£
Grants, including capital grants;		
Job retention scheme grant	15,773	15,773
	<u>15,773</u>	<u>15,773</u>

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

4 Income from charitable activities

	Unrestricted funds	Total	Total
	General	2020	2019
	£	£	£
Book sales	200	200	416
Programmes and courses	583,346	583,346	575,812
Counselling services	76,777	76,777	99,196
Room rental	230,348	230,348	381,095
	<u>890,671</u>	<u>890,671</u>	<u>1,056,519</u>

5 Investment income

	Unrestricted funds	Total	Total
	General	2020	2019
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	1,348	1,348	938
Income from rents	63,861	63,861	66,300
	<u>65,209</u>	<u>65,209</u>	<u>67,238</u>

6 Other income

	Unrestricted funds	Total	Total
	General	2020	2019
	£	£	£
Other income	<u>6,555</u>	<u>6,555</u>	<u>3,371</u>

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

7 Expenditure on raising funds

a) Costs of generating donations and legacies

		Unrestricted funds		
	Note	General £	Total 2020 £	Total 2019 £
Marketing and publicity		2,046	2,046	5,455

8 Expenditure on charitable activities

		Unrestricted funds		
	Note	General £	Total 2020 £	Total 2019 £
Bursaries		1,300	1,300	1,700
Trainers fees		231,881	231,881	214,634
Staff costs not PAYE		1,673	1,673	28,056
Rates, utilities and insurance		44,317	44,317	34,632
Repairs, maintenance and cleaning		53,015	53,015	40,025
Postage and telephone		7,352	7,352	5,524
Computer consumables		30,471	30,471	25,217
Printing and stationery		4,626	4,626	3,081
Sundries		43,551	43,551	72,208
The audit of the charity's annual accounts		8,200	8,200	8,434
Consultancy		44,931	44,931	31,586
Bad debts		6,620	6,620	191
Interest and bank charges		23,144	23,144	29,112
Depreciation of plant and machinery		48,602	48,602	48,603
Staff costs	11	404,249	404,249	442,533
		<u>953,932</u>	<u>953,932</u>	<u>985,536</u>

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2020	2019
	£	£
Audit fees	8,200	8,434
Depreciation of fixed assets	<u>48,602</u>	<u>48,603</u>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

5 trustees (2019:3) received reimbursement for travel expenses incurred on behalf of the charity of £668 (2019:£965).

1 trustee (2019:1) received £5,873 for additional training work carried out (2019:£3,050 for additional training work carried out).

11 Staff costs

The aggregate payroll costs were as follows:

	2020	2019
	£	£
Staff costs during the year were:		
Wages and salaries	369,269	402,761
Social security costs	29,590	34,391
Pension costs	<u>5,390</u>	<u>5,381</u>
	<u>404,249</u>	<u>442,533</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020	2019
	No	No
Charitable activities	<u>14</u>	<u>15</u>

During the year, the charity made redundancy and/or termination payments which totalled £Nil (2019 - £14,000).

No employee received emoluments of more than £60,000 during the year.

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
Cost			
At 1 September 2019	<u>1,137,779</u>	<u>291,478</u>	<u>1,429,257</u>
At 31 August 2020	<u>1,137,779</u>	<u>291,478</u>	<u>1,429,257</u>
Depreciation			
At 1 September 2019	339,261	126,927	466,188
Charge for the year	<u>12,756</u>	<u>35,846</u>	<u>48,602</u>
At 31 August 2020	<u>352,017</u>	<u>162,773</u>	<u>514,790</u>
Net book value			
At 31 August 2020	<u><u>785,762</u></u>	<u><u>128,705</u></u>	<u><u>914,467</u></u>
At 31 August 2019	<u><u>798,518</u></u>	<u><u>164,551</u></u>	<u><u>963,069</u></u>

14 Debtors

	2020 £	2019 £
Trade debtors	189,660	28,154
Prepayments	<u>29,484</u>	<u>17,961</u>
	<u><u>219,144</u></u>	<u><u>46,115</u></u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	34,848	33,541
Trade creditors	43,949	46,470
Other creditors	1,154	-
Accruals	30,491	36,993
Deferred income	<u>468,054</u>	<u>327,946</u>
	<u><u>578,496</u></u>	<u><u>444,950</u></u>

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Creditors due within one year includes the following liabilities, on which security has been given by the charity:

	2020	2019
	£	£
Mortgage	<u>34,848</u>	<u>33,541</u>

16 Creditors: amounts falling due after one year

	2020	2019
	£	£
Bank loans	<u>386,633</u>	<u>421,668</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity:

	2020	2019
	£	£
Mortgage	<u>386,633</u>	<u>421,668</u>

Included in the creditors are the following amounts due after more than five years:

	2020	2019
	£	£
After more than five years by instalments	<u>251,605</u>	<u>274,382</u>

17 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Other		
Between one and five years	<u>60,990</u>	<u>16,390</u>

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

18 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Balance at 31 August 2020 £
Unrestricted funds				
General	641,292	978,208	(955,978)	663,522
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Balance at 31 August 2019 £
Unrestricted funds				
General	505,155	1,127,128	(990,991)	641,292

19 Analysis of net assets between funds

Current year	Unrestricted funds General £	Total funds £
Tangible fixed assets	914,467	914,467
Current assets	714,184	714,184
Current liabilities	(578,496)	(578,496)
Creditors over 1 year	(386,633)	(386,633)
Total net assets	663,522	663,522
Prior year	Unrestricted funds General £	Total funds £
Tangible fixed assets	963,068	963,068
Current assets	544,842	544,842
Current liabilities	(444,950)	(444,950)
Creditors over 1 year	(421,668)	(421,668)
Total net assets	641,292	641,292

Psychosynthesis and Education Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

20 Non-adjusting events after the financial period

Impact of COVID19 pandemic

The COVID19 pandemic has significantly impacted the Trust. Early into the outbreak in March 2020, our educational Programmes moved in its entirety to a set of virtual platforms. The intake into the 4 stages of core study programmes that we offer have increased significantly compared to the growth we were already seeing pre-COVID. Having to monitor and constantly assess the Government's legislation and requirements has also required additional time from our staff. This has meant that we have had to put on hold several projects such as our university partnership development for our Advanced Diploma/MA. We will continue to run all our training online at least until September 2021. As for our Counselling Services offer, the demand for full fee-paying counselling services has decreased whilst we have seen an increase in our low-cost counselling offer. The most significant impact on income was felt in the tertiary area of our revenue streams – the room rentals – as the perishability of this service became more apparent, first through building closure, and later when national restrictions and furtherance of the virus kept people away from using a physical setting. We have introduced several measures to mitigate against loss and risk and made use of the Government's Job Retention Scheme to furlough some employees whose roles were reduced through the closure of the building. During the reporting period, no additional government grants were available to us, and we had two grant applications rejected for COVID-secure setup and future innovation. Post-year end we have successfully attained local authority grants against business rates during national and local restrictions and continue to make use of the flexible furlough element of the Job Retention Scheme. What is noteworthy is that at no point do we expect to run out of cash, nor drop to a sustained level that would be less than 25% of our budgeted expenditure.

During the year the charity received;

Job Retention Scheme - £15,773