

Company no. 03799698  
Charity no. 1079390

**The Severnside Initiative for  
Psychotherapy  
Report and Unaudited Financial  
Statements  
31 August 2021**

## **The Severnside Initiative for Psychotherapy**

### **Reference and administrative details**

**For the year ended 31 August 2021**

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<b>Company number</b>	03799698														
<b>Charity number</b>	1079390														
<b>Registered office and operational address</b>	11 Orchard Street Bristol BS1 5EH														
<b>Trustees</b>	<p>Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:</p> <table><tr><td>Mark Budden</td><td></td></tr><tr><td>David Bunker</td><td></td></tr><tr><td>Eva Gell</td><td>Chair</td></tr><tr><td>Lorraine Melrose</td><td>Appointed 21 December 2020</td></tr><tr><td>Jonathan Olds</td><td>Appointed 4 January 2022</td></tr><tr><td>Jeremy Thomas</td><td>Resigned 1 March 2021</td></tr><tr><td>Melanie Woolgar</td><td>Resigned 5 October 2021</td></tr></table>	Mark Budden		David Bunker		Eva Gell	Chair	Lorraine Melrose	Appointed 21 December 2020	Jonathan Olds	Appointed 4 January 2022	Jeremy Thomas	Resigned 1 March 2021	Melanie Woolgar	Resigned 5 October 2021
Mark Budden															
David Bunker															
Eva Gell	Chair														
Lorraine Melrose	Appointed 21 December 2020														
Jonathan Olds	Appointed 4 January 2022														
Jeremy Thomas	Resigned 1 March 2021														
Melanie Woolgar	Resigned 5 October 2021														
<b>Company secretary</b>	Rebecca Johnson														
<b>Independent examiners</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD														

## **The Severnside Initiative for Psychotherapy**

### **Report of the trustees**

#### **For the year ended 31 August 2021**

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Reference and administrative information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland effective 1 January 2019.

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report together with the unaudited financial statements of the charity for the year ended 31 August 2021.

The charity is a private company limited by guarantee and operates under the name of The Severnside Institute for Psychotherapy (SIP). The governing documents are the Memorandum and Articles of Association.

### **OBJECTIVES AND ACTIVITIES**

Our objects are to provide, or assist in the provision of, psychotherapeutic treatment and related services to members of the public. In the furtherance of these objects, SIP provides a range of services. It provides information on both psychoanalytic and psychodynamic psychotherapy, maintains a register of members qualified to provide it and offers an assessment and referral service for those who are interested in pursuing therapy. SIP also accumulates funds to provide low-cost therapy to people unable to afford the full cost of the treatment they require.

SIP offers a range of training opportunities in order to increase the availability of qualified and ethical practitioners in the Severnside region. SIP's professional training is regulated by the British Psychoanalytic Council (BPC). Qualification in psychoanalytic psychotherapy or psychodynamic psychotherapy leads to registration with the BPC. SIP provides an ethical framework for its practitioners and appropriate Continuing Professional Development (CPD) opportunities in order to safeguard the public by ensuring that members work in a competent and ethical manner. These activities are undertaken after consideration of the Charity Commission's guidance on public benefit, and it is hence the opinion of the trustees that the organisation operates for the public benefit.

SIP also operates as a professional association for its members, providing opportunities for mutual support and the furtherance of their knowledge and understanding of the profession. It helps them participate in national activities concerned with the provision and regulation of psychotherapy.

SIP has had sole management responsibility for 11 Orchard Street. It manages the building and lets the 8 consulting rooms to therapists, as well as letting the large meeting room out for meetings and events. It also uses the building for training. It is currently in negotiation with The Lark Trust to buy the building at the end of the lease and we are extremely grateful to Mark Budden for the work involved.

## **The Severnside Initiative for Psychotherapy**

### **Report of the trustees**

**For the year ended 31 August 2021**

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#### **MANAGEMENT OF THE ORGANISATION**

At 31 August 2021, SIP had a total of 68 members (includes 6 pre-retirement members), the majority being active and registered practitioners, together with an additional 1 non-practising associate, 8 clinical associates, 17 students and 4 co-opted associates. The membership elects a management structure, which is responsible for the running of the organisation. Since April 2016, when our new management structure was implemented, the organisation has been supported by employed staff members.

Honorary Officers are the Chair, the Chair of Education and the Chair of Membership, who is also responsible for SIP's Consultation and Referral Service, amongst other things. A significant proportion of the membership are also involved in the work of committees giving voluntarily of their time to ensure the sound running and further development of the organisation.

During the 20/21 financial year, Olivia Baxter was Marketing and Membership Co-ordinator, Beckie Johnson was Finance Manager and Vincent Finney continued as Training Co-ordinator.

The trustees are grateful to the Officers, committee members and staff who run the organisation. The trustees acknowledge that a huge amount of work is undertaken voluntarily in the management of the organisation and the provision of training and other services. SIP remains well served by its Officers and Committee Chairs, and the trustees continue to be very appreciative of their commitment and generosity of time and actions. The trustees are also pleased to acknowledge the contribution of the staff.

Clare Harris, Orchard Street Development Manager, has overseen the maintenance of the building and the management of Orchard Street Therapy Rooms (the part of Severnside's operations which rents out rooms in the building to therapists and therapy organisations) as well as our work towards purchasing the building. Olivia Baxter's efficiency and care in administering and promoting the use of Orchard Street, and in managing the detailed adjustments needed as government guidelines and regulations (as well of those from our regulatory bodies) fluctuated, has made it possible for us, while still taking a significant financial hit through loss of rental income, to continue to be tolerably healthy through very difficult times. The Building Purchase Group (Clare Harris, Mark Budden and Hilary Lindsay) have been preparing the ground for negotiations with The Lark Trust (our landlords) over purchasing the building. The Fundraising Group (Clare Harris, Marta Bolognani and Paul Hoggett) have not put on any events in this reporting year but have been preparing to make applications for capital grants when, and if, a purchase price is agreed with The Lark Trust.

#### **PERFORMANCE**

The trustees have, of course, had to give considerable thought to the impact of the COVID-19 pandemic on the charity's current and future financial position. They successfully sought a reduction of the rent for 11 Orchard Street for May and June, but were not able to secure a further rent reduction beyond that time. They recognised that:

- There would be a substantial decline in the income to the organisation from renting rooms to therapists. This has indeed happened, in spite of the excellent efforts to keep the building in operation (and in compliance with Government health advice) by Clare Harris and Olivia Baxter (as described above); and
- There would be a need to use some of the organisation's reserves to offset this loss of income, meaning that the percentage held in reserve would fall pro tempore.

## **The Severnside Initiative for Psychotherapy**

### **Report of the trustees**

#### **For the year ended 31 August 2021**

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The work of the organisation has continued steadily across the past year in all areas. The trustees are confident that standards of service and training have been maintained. We continue to be a viable and effective charitable organisation well able to fulfill its charitable objectives.

As in previous years, the external environment continues to have an impact on the organisation. SIP continues to play its part as a Member Institution of the British Psychoanalytic Council.

The detailed work of the organisation is reported on in full at the AGM but we look in brief at the main areas of activities during the year ended 31 August 2021 in the following paragraphs.

#### **Training**

The trustees are extremely grateful to those who have worked so hard running courses. The range of professional training courses we offer reflects the developing patterns of interest in psychoanalytically informed therapy in the broader community and indicates the ability of SIP to be malleable and responsive in pursuit of its objectives. Regular meetings are held between the Leads of all trainings, chaired by the Chair of Education. The organisation is aware of the fact that running two trainings can result in a duplication of effort and resources. Accordingly, developments have been underway in the course of the reporting period to see how far elements of the training can be combined into a single curriculum (and how far not). The new, partially combined, curriculum should avoid duplication of effort, both by teaching staff and within the organisational structure, where roles and functions can be streamlined accordingly. As part of this work, a Strategy Review Morning was organised for all those involved in running SIP and one outcome from this review will be the adoption in the coming year of Statements of our Mission, Values and Aims which will provide the groundwork for developing a business plan for the coming years.

#### **Membership activities**

Continuing Professional Development, which is a requirement of professional registration for psychoanalytic and psychodynamic psychotherapists, consists of a range of opportunities for members to enhance their understanding of psychoanalytic issues and share clinical experience. SIP provides clinical courses, as well as study days and workshops, which offer the opportunity to explore relevant topics, sometimes with outside speakers and sometimes when members are invited to give papers. A number of successful CPD events, including our annual lecture, took place this year.

#### **Consultation and Referral Service**

Clinical services offered by members were rationalised this year through the continued development of the Consultation and Referral Service. This is undertaken by elected Area Representatives covering all localities from which SIP draws members. Referrals are managed by the Administrator. This is both important for trainees, who can build up their clinical experience, and also a contribution to public well-being at a time when such low-cost psychotherapy services are hugely in demand. The trainees offer low cost sessions and SIP is also supporting a scheme, which started in January 2020, called Orchard Therapy. 10 qualified therapists are offering 10 free sessions per individual who have been recommended for therapy by their GPs. The trustees are very grateful to Ally Kessler, whose brain child this was, and to Nicola Padel and Marta Bolognani who have helped set up this service.

## **The Severnside Initiative for Psychotherapy**

### **Report of the trustees**

#### **For the year ended 31 August 2021**

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##### **Subsidised treatment and training**

SIP remains committed to the provision of subsidised treatment for those who need therapy but cannot afford full professional fees. Funds are managed and administered by the Bursary Committee and made available through the Reduced Fee Scheme, and Training Patient and Bursary Fund, which supports trainees with the cost of supervision and sessions with training patients. Regular donations received from members provide an important source of funding for this work. In addition to formal subsidies, many patients benefit from reduced fees offered by individual therapists.

Once again, SIP has offered a limited number of new bursaries to help with the cost of fees for the Introductory Course, named The Iris Tute Bursaries, in remembrance of the work and generosity of a member of SIP, without whom SIP would not have its city centre home at 11 Orchard Street.

##### **Risk management**

The charity is taking the following steps to mitigate the threats that COVID-19 may pose to the organisation:

- Providing members with regular advice on best practice as recommended by the British Psychoanalytic Council. This covers such things as the use of various forms of media to obviate the need for face-to-face therapy, and where face-to-face therapy continues to be used, the health-protection measures that need to be implemented;
- Ensuring that 11 Orchard Street remains compliant with Government and BPC recommendations on ventilation, sterilisation, social distancing and other health-related measures; and
- Seeking payment from insurers and donations from funders to attempt to offset income-loss from declining room rental income.

The trustees continue to follow Charity Commission advice regarding risk management and good practice, and keep a register identifying major risks that apply to SIP. As SIP has now negotiated an ongoing lease with The Lark Trust and our financial position has improved since the previous year, we have downgraded these items on the risk register. The Risk Register is examined at each of the trustees' Meetings. In the prior year, the dominant anxiety was around the renewal of the lease and the associated issues of location for the complex work of SIP. That risk has receded. However, the trustees are well aware of the fact that issues like government policy on mental health and the training of mental health practitioners could have a huge impact on SIP's work. As a result, scanning the risk-horizon remains a high priority for the trustees.

At the time of writing, trustees have no idea how long the pandemic of COVID-19 will last, no verifiable idea of its impact on the use of the building and no idea of its impact on the demand for training places nor the demand for therapy. This makes planning for the future as much an item of faith in our operations and social value as anything. Trustees are in touch with other Member Institutions of the British Psychoanalytic Council, and are well aware of the dilemmas and discussions taking place across the psychotherapy profession. For this and other reasons, the trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved. This confidence is underscored by the fact that:

- The charity holds General Fund reserves of £93,725;
- The charity is actively seeking additional financial support; and
- The trustees therefore consider it appropriate to adopt the going concern basis for the preparation of the accounts, as detailed in note 1(b) to the financial statements.

In this context, trustees would like to extend their thanks to, and acknowledge the hard work done by Clare Harris, supported by Olivia Baxter, in contacting and dealing with insurers and Bristol City Council in seeking to secure appropriate financial support during the COVID-19 pandemic.

## **The Severnside Initiative for Psychotherapy**

### **Report of the trustees**

#### **For the year ended 31 August 2021**

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##### **Fees and budgets**

Fees were reviewed for all elements of the training, and a small increase was applied for the 2020-2021 financial year.

The basic membership fee for the year was not increased. Trustees and the Executive are keeping fees under review. In particular, at a time when COVID-19 has had a huge impact on members' working habits and given rise to great professional debate, it was felt that the additional burden of a fee-increase should be avoided for the time being.

##### **FINANCIAL REVIEW**

A detailed summary of accounts for the year ended 31 August 2021, prior to revaluation of investments and transfers between funds, has been provided by the Finance Manager.

##### **General funds (unrestricted)**

In respect of general funds, SIP generates income from three main sources: subscriptions from the members, fees charged for training and courses, and room rental for psychotherapy purposes. Expenditure constitutes staffing, maintenance of the premises, expenses for committee work, fees to the British Psychoanalytic Council and fees to seminar leaders on the various courses. Budgets are drawn up to ensure that income will cover outgoing expenses and maintain a suitable reserve.

At the year end, the general fund has a total value of £93,725.

##### **Subsidised Treatment and Training Funds (restricted)**

The Subsidised Treatment and Training Funds (STTF) are comprised of two amalgamated funds: the Training Patient and Bursary Fund (TPBF) and the Reduced Fee Scheme (RFS).

The STTF fund supported the low-cost work of 8 members (including student associates), and their patients, with payments totalling £7,128.

At the year end, the Subsidised Treatment and Training Fund has a total value (primarily cash and investments) of £37,159.

At the year end, the Welsh Fund stood at £20,000.

##### **Building Purchase Fund (restricted)**

The Building Purchase Fund is a restricted fund in which funds raised for the potential future purchase of a building for SIP are held. The value of the Building Purchase Fund at the year end was £24,003.

##### **Building Purchase Fund (designated)**

The Building Purchase Fund (designated) was created for the surplus from the OSTR room rental strand, with the purpose of adding to the restricted Building Purchase Fund. The designation of these funds is reversible, should SIP require the funds for other expenditure deemed more important by the trustees. The value of the designated Building Purchase Fund at the year end was £79,458.

##### **Total value of restricted and unrestricted funds**

The total value of restricted and unrestricted funds at the year end was £234,345.

## **The Severnside Initiative for Psychotherapy**

### **Report of the trustees**

#### **For the year ended 31 August 2021**

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##### **Reserves**

Reserves of general unrestricted funds at the year end were £93,725.

Our policy is to hold general reserves amounting to at least 40% of the previous year's expenditure (excluding restricted funds). Our reserves at 31 August 2021 were at 55% and therefore the reserves at the balance sheet date meet with this requirement.

The trustees are satisfied that the books are kept in good order and the monitoring of income and expenditure within the various categories is suitably detailed.

##### **Trustees**

The Board of Trustees holds the ultimate responsibility for directing the affairs of SIP, and ensuring that it is solvent, well-run and delivering the charitable outcomes for which it has been set up. The trustees are charged with ensuring that SIP complies with charity and company law and with the requirements of the Charity Commission as regulator; in particular ensuring that SIP prepares reports on what it has achieved and annual returns and accounts as required by law. The trustees oversee and review the Executive Committee's management of SIP specifically to ensure that it meets the objectives set out in the Memorandum of Association and complies with the Articles of Association and with both charity and company law.

The Board of trustees is elected by the membership at the Annual General Meeting.

The trustees who have served the charity from 1 September 2020 until the date on which the accounts were signed are as follows:

Mark Budden

David Bunker

Eva Gell

Chair

Lorraine Melrose

Appointed 21 December 2020

Jonathan Olds

Appointed 4 January 2022

Jeremy Thomas

Resigned 1 March 2021

Melanie Woolgar

Resigned 5 October 2021

The trustees continue to look for new members to join the Board to ensure an appropriate diversity and mix of talent and experience.

New trustees are found from the contacts and networks of existing trustees with an emphasis on those individuals with skills and experience which are of value to the charity.

This report has been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies' regime.

##### **Statement of responsibilities of the trustees**

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with 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).



## **The Severnside Initiative for Psychotherapy**

### **Report of the trustees**

#### **For the year ended 31 August 2021**

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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 charity and of the income and expenditure of the charity for that period. In preparing those 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice 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 charity will continue in operation.

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

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

#### **Independent examiners**

Godfrey Wilson Limited were re-appointed as independent examiners to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 12 February 2022 and signed on their behalf by

*Eva Gell*

Eva Gell - Chair

## **Independent examiner's report**

### **To the trustees of**

#### **The Severnside Initiative for Psychotherapy**

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I report to the trustees on my examination of the accounts of The Severnside Initiative for Psychotherapy (the charitable company) for the year ended 31 August 2021, which are set out on pages 10 to 24.

#### **Responsibilities and basis of report**

As the trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

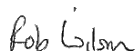
#### **Independent examiner's statement**

Godfrey Wilson Limited also provides payroll services to the charitable company. I confirm that as a member of the ICAEW I am subject to the FRC's Revised Ethical Standard 2016, which I have applied with respect to this engagement.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Date: 12 February 2022

**Rob Wilson FCA**

**Member of the ICAEW**

For and on behalf of:

**Godfrey Wilson Limited**

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

## The Severnside Initiative for Psychotherapy

### Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2021

	Note	Restricted £	Unrestricted £	2021 Total £	2020 Total £
<b>Income from:</b>					
Donations and legacies	3	18,535	26,545	<b>45,080</b>	71,521
Charitable activities:					
Training		-	92,468	<b>92,468</b>	73,744
Membership		-	29,401	<b>29,401</b>	30,589
Orchard Street management fund		-	42,077	<b>42,077</b>	45,772
CPD and events		-	2,461	<b>2,461</b>	2,522
Consultation and referral service		-	3,134	<b>3,134</b>	4,931
Investments		-	968	<b>968</b>	524
Other income		-	10,000	<b>10,000</b>	13,002
<b>Total income</b>		<u>18,535</u>	<u>207,054</u>	<u><b>225,589</b></u>	<u>242,605</u>
<b>Expenditure on:</b>					
Raising funds		-	307	<b>307</b>	1,949
Charitable activities:					
Training		-	82,252	<b>82,252</b>	78,211
Membership		-	21,092	<b>21,092</b>	22,182
Orchard Street management fund		-	39,448	<b>39,448</b>	39,599
CPD and events		-	5,014	<b>5,014</b>	6,117
Consultation and referral service		-	7,972	<b>7,972</b>	7,184
Subsidised treatment and training fund		11,891	990	<b>12,881</b>	14,184
<b>Total expenditure</b>	5	<u>11,891</u>	<u>157,075</u>	<u><b>168,966</b></u>	<u>169,426</u>
Net gains / (losses) on investments		<u>127</u>	<u>-</u>	<u><b>127</b></u>	<u>(216)</u>
<b>Net income and net movement in funds</b>	6	6,771	49,979	<b>56,750</b>	72,963
<b>Reconciliation of funds:</b>					
Total funds brought forward		<u>54,391</u>	<u>123,204</u>	<u><b>177,595</b></u>	<u>104,632</u>
<b>Total funds carried forward</b>		<u><u>61,162</u></u>	<u><u>173,183</u></u>	<u><u><b>234,345</b></u></u>	<u><u>177,595</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 15 to the accounts.

## The Severnside Initiative for Psychotherapy

### Balance sheet

As at 31 August 2021

	Note	£	2021 £	2020 £
<b>Fixed assets</b>				
Tangible assets	9		<b>2,690</b>	-
Investments	10		<b>8,254</b>	8,127
			<b>10,944</b>	8,127
<b>Current assets</b>				
Debtors	11	<b>66,552</b>		88,824
Cash at bank and in hand		<b>267,838</b>		186,856
		<b>334,390</b>		275,680
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	12	<b>(110,989)</b>		(106,212)
<b>Net current assets</b>			<b>223,401</b>	169,468
<b>Net assets</b>	14		<b>234,345</b>	177,595
<b>Funds</b>	15			
Restricted funds			<b>61,162</b>	54,391
Unrestricted funds				
Designated funds			<b>79,458</b>	59,458
General funds			<b>93,725</b>	63,746
<b>Total charity funds</b>			<b>234,345</b>	177,595

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the Company keeps proper accounting records which comply with section 386 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the trustees on 12 February 2022 and signed on their behalf by

*Eva Gell*

Eva Gell - Chair

## **The Severnside Initiative for Psychotherapy**

### **Notes to the financial statements**

**For the year ended 31 August 2021**

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#### **1. Accounting policies**

##### **a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Severnside Initiative for Psychotherapy 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 note.

##### **b) Going concern basis of accounting**

The accounts have been prepared on the assumption that the charitable company is able to continue as a going concern. However, the COVID-19 pandemic has had a profound impact on the global economy, and has in turn affected the charitable company. The trustees have considered the impact of this issue on the charitable company's current and future financial position. The charity holds unrestricted, general reserves of £93,725 and a cash balance of £267,838. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

##### **c) Income**

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

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of provision of training, membership and subscriptions is deferred until criteria for income recognition are met.

##### **d) Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

## The Severnside Initiative for Psychotherapy

### Notes to the financial statements

For the year ended 31 August 2021

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#### 1. Accounting policies (continued)

##### e) 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.

##### f) Funds accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

##### g) 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.

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

##### h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities on the following basis, being the allocation of support staff time:

	2021	2020
Raising funds	0%	0%
Charitable activities:		
Training	50%	51%
Membership	18%	15%
Orchard Street management fund	10%	10%
CPD and events	5%	7%
Consultation and referral service	10%	10%
Subsidised treatment and training fund	7%	7%

##### i) Tangible fixed assets

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:

Computer equipment	3 years
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Items of equipment are capitalised where the purchase price exceeds £500.

## **The Severnside Initiative for Psychotherapy**

### **Notes to the financial statements**

#### **For the year ended 31 August 2021**

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#### **1. Accounting policies (continued)**

##### **j) Investments**

Investments in quoted shares, traded bonds and similar investments are measured initially at cost and subsequently at fair value (their market value). The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

##### **k) 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.

##### **l) 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.

##### **m) Creditors**

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.

##### **n) Financial instruments**

The charitable company 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 recognised at amortised cost using the effective interest method.

##### **o) Pension costs**

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

##### **p) Accounting estimates and key judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

##### **Depreciation**

As described in note 1i to the financial statements, 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 Severnside Initiative for Psychotherapy

## Notes to the financial statements

For the year ended 31 August 2021

### 2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2020 Total £
<b>Income from:</b>			
Donations and legacies	45,455	26,066	71,521
Charitable activities:			
Training	-	73,744	73,744
Membership	-	30,589	30,589
Orchard Street management fund	-	45,772	45,772
CPD and events	-	2,522	2,522
Consultation and referral service	-	4,931	4,931
Investments	319	205	524
Other income	-	13,002	13,002
<b>Total income</b>	<b>45,774</b>	<b>196,831</b>	<b>242,605</b>
<b>Expenditure on:</b>			
Raising funds	1720	229	1,949
Charitable activities:			
Training	-	78,211	78,211
Membership	-	22,182	22,182
Orchard Street management fund	-	39,599	39,599
CPD and events	-	6,117	6,117
Consultation and referral service	-	7,184	7,184
Subsidised treatment and training fund	13,559	625	14,184
<b>Total expenditure</b>	<b>15,279</b>	<b>154,147</b>	<b>169,426</b>
Net gains on investments	(216)	-	(216)
<b>Net income and net movement in funds</b>	<b>30,279</b>	<b>42,684</b>	<b>72,963</b>



## The Severnside Initiative for Psychotherapy

### Notes to the financial statements

For the year ended 31 August 2021

#### 3. Income from donations and legacies

	Restricted £	Unrestricted £	2021 Total £
Donations	18,535	1,241	<b>19,776</b>
Grants	-	6,804	<b>6,804</b>
Gifts in kind*	-	18,500	<b>18,500</b>
<b>Total income from donations and legacies</b>	<b>18,535</b>	<b>26,545</b>	<b>45,080</b>

#### Prior period comparative:

	Restricted £	Unrestricted £	2020 Total £
Donations	45,455	2,666	48,121
Grants	-	4,900	4,900
Gifts in kind*	-	18,500	18,500
<b>Total income from donations and legacies</b>	<b>45,455</b>	<b>26,066</b>	<b>71,521</b>

\*Gifts in kind represents the rent subsidy provided by the charity's landlord, The Lark Trust.

#### 4. Government grants

In the current year, the charitable company received government grants, defined as emergency COVID-19 funding from Bristol City Council, totalling £6,800 (2020: £4,900).

## The Severnside Initiative for Psychotherapy

### Notes to the financial statements

For the year ended 31 August 2021

#### 5. Total expenditure

	Raising funds £	Training £	Membership £	Orchard Street management fund £	CPD and events £	Consultation and referral service £	Subsidised treatment and training fund £	Support and governance costs £	2021 Total £
Fundraising costs	307	-	-	-	-	-	-	-	307
Staff costs (note 7)	-	27,101	9,746	5,233	2,709	5,233	3,791	3,431	57,244
Seminar leader and freelance fees	-	28,896	-	43	790	30	-	2,672	32,431
Travel and subsistence	-	-	-	22	-	-	-	8	30
Event costs	-	-	-	-	-	-	-	-	-
Membership fees and subscriptions	-	1,749	6,273	-	-	-	-	1,680	9,702
Premises costs	-	9,990	-	31,429	-	-	-	9,155	50,574
Treatment and training subsidies	-	-	-	-	-	-	7,128	-	7,128
Other direct costs	-	-	-	-	-	-	-	-	-
Library costs	-	-	-	-	-	-	-	688	688
Office expenses	-	489	29	12	113	-	-	5,223	5,866
Legal and professional	-	-	-	-	-	-	-	3,183	3,183
Bank charges	-	-	-	-	-	-	-	468	468
Depreciation	-	-	-	-	-	-	-	1,345	1,345
<b>Sub-total</b>	<b>307</b>	<b>68,225</b>	<b>16,048</b>	<b>36,739</b>	<b>3,612</b>	<b>5,263</b>	<b>10,919</b>	<b>27,853</b>	<b>168,966</b>
Allocation of support and governance costs	-	14,027	5,044	2,709	1,402	2,709	1,962	(27,853)	-
<b>Total expenditure</b>	<b>307</b>	<b>82,252</b>	<b>21,092</b>	<b>39,448</b>	<b>5,014</b>	<b>7,972</b>	<b>12,881</b>	<b>-</b>	<b>168,966</b>

Total governance costs were £3,093 (2020: £2,819)

## The Severnside Initiative for Psychotherapy

### Notes to the financial statements

For the year ended 31 August 2021

#### 5. Total expenditure

Prior year comparative	Raising funds £	Training £	Membership £	Orchard Street management fund £	CPD and events £	Consultation and referral service £	Subsidised treatment and training fund £	Support and governance costs £	2020 Total £
Fundraising costs	342	-	-	-	-	-	-	-	342
Staff costs (note 7)	-	25,967	9,205	4,701	2,594	4,694	3,381	3,422	53,964
Seminar leader and freelance fees	202	22,387	-	-	556	-	-	-	23,145
Travel and subsistence	-	3,290	81	38	63	-	-	196	3,668
Event costs	1,135	150	-	-	1,161	-	-	909	3,355
Membership fees and subscriptions	-	2,849	9,101	-	-	-	-	-	11,950
Premises costs	-	9,990	-	32,371	-	-	-	8,510	50,871
Treatment and training subsidies	-	-	-	-	-	-	9,060	-	9,060
Other direct costs	-	400	-	-	-	-	-	-	400
Library costs	-	-	61	-	-	-	-	859	920
Office expenses	-	481	-	-	-	-	-	3,889	4,370
Legal and professional	-	-	-	-	-	-	-	6,931	6,931
Bank charges	270	-	-	-	-	-	-	180	450
<b>Sub-total</b>	<b>1,949</b>	<b>65,514</b>	<b>18,448</b>	<b>37,110</b>	<b>4,374</b>	<b>4,694</b>	<b>12,441</b>	<b>24,896</b>	<b>169,426</b>
Allocation of support and governance costs	-	12,697	3,734	2,489	1,743	2,490	1,743	(24,896)	-
<b>Total expenditure</b>	<b>1,949</b>	<b>78,211</b>	<b>22,182</b>	<b>39,599</b>	<b>6,117</b>	<b>7,184</b>	<b>14,184</b>	<b>-</b>	<b>169,426</b>

## The Severnside Initiative for Psychotherapy

### Notes to the financial statements

#### For the year ended 31 August 2021

##### 6. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Depreciation	1,345	-
Operating lease payments	18,615	18,961
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	74
Independent examiner's remuneration	1,980	1,860

Trustees' reimbursed expenses in the prior period comprised travel costs for 2 trustees.

##### 7. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	55,768	52,690
Social security costs	87	-
Pension costs	1,389	1,274
	<u>57,244</u>	<u>53,964</u>

No employee earned more than £60,000 during the year.

The key management personnel of the charitable company comprise the trustees. The total employee benefits of the key management personnel were £Nil (2020: £Nil).

Staff numbers were as follows:

	2021 No.	2020 No.
Average head count	<u>3.0</u>	<u>3.0</u>
Full time equivalents	<u>2.1</u>	<u>2.1</u>

##### 8. Taxation

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

# The Severnside Initiative for Psychotherapy

## Notes to the financial statements

For the year ended 31 August 2021

<b>9. Tangible fixed assets</b>		<b>Computer equipment £</b>
<b>Cost</b>		
At 1 September 2020		-
Additions in year		4,035
Disposals		-
		<u>-</u>
At 31 August 2021		<u>4,035</u>
<b>Depreciation</b>		
At 1 September 2020		-
Charge for the year		1,345
On disposals		-
		<u>-</u>
At 31 August 2021		<u>1,345</u>
<b>Net book value</b>		
<b>At 31 August 2021</b>		<u><u>2,690</u></u>
At 31 August 2020		<u><u>-</u></u>
<b>10. Investments</b>		
	<b>2021 £</b>	<b>2020 £</b>
Market value at 1 September	8,127	8,343
Unrealised gains / (losses)	<u>127</u>	<u>(216)</u>
<b>Market value at 31 August</b>	<u><u>8,254</u></u>	<u><u>8,127</u></u>
Historical cost:		
<b>At 31 August</b>	<u><u>8,071</u></u>	<u><u>8,071</u></u>
<b>11. Debtors</b>		
	<b>2021 £</b>	<b>2020 £</b>
Trade debtors	47,878	57,712
Prepayments	7,435	6,029
Accrued income	<u>11,239</u>	<u>25,083</u>
	<u><u>66,552</u></u>	<u><u>88,824</u></u>

# The Severnside Initiative for Psychotherapy

## Notes to the financial statements

For the year ended 31 August 2021

### 12. Creditors : amounts due within 1 year

	2021 £	2020 £
Trade creditors	3,620	2,740
Accruals	6,650	3,300
Other taxation and social security	843	520
Deferred income (see note 13)	98,868	98,761
Other creditors	1,008	891
	<u>110,989</u>	<u>106,212</u>

### 13. Deferred income

	2021 £	2020 £
At 1 September 2020	98,761	84,074
Deferred during the year	98,868	98,761
Released during the year	<u>(98,761)</u>	<u>(84,074)</u>
At 31 August 2021	<u>98,868</u>	<u>98,761</u>

Deferred income relates to income invoiced in advance for training courses, memberships and subscriptions.

### 14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	2,690	2,690
Investments	8,254	-	-	8,254
Current assets	52,908	79,458	202,024	334,390
Current liabilities	<u>-</u>	<u>-</u>	<u>(110,989)</u>	<u>(110,989)</u>
<b>Net assets at 31 August 2021</b>	<u><b>61,162</b></u>	<u><b>79,458</b></u>	<u><b>93,725</b></u>	<u><b>234,345</b></u>
<b>Prior period comparative</b>				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Investments	8,127	-	-	8,127
Current assets	46,264	59,458	169,958	275,680
Current liabilities	<u>-</u>	<u>-</u>	<u>(106,212)</u>	<u>(106,212)</u>
<b>Net assets at 31 August 2020</b>	<u><b>54,391</b></u>	<u><b>59,458</b></u>	<u><b>63,746</b></u>	<u><b>177,595</b></u>

# The Severnside Initiative for Psychotherapy

## Notes to the financial statements

For the year ended 31 August 2021

### 15. Movements in funds

	At 1 September 2020 £	Income £	Expenditure £	Gain on investments £	Transfers between funds £	At 31 August 2021 £
<b>Restricted funds</b>						
STTF	45,215	3,708	(11,891)	127	-	<b>37,159</b>
Building purchase fund	9,176	14,827	-	-	-	<b>24,003</b>
<b>Total restricted funds</b>	<b>54,391</b>	<b>18,535</b>	<b>(11,891)</b>	<b>127</b>	<b>-</b>	<b>61,162</b>
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
Building purchase fund	59,458	-	-	-	20,000	<b>79,458</b>
<i>Total designated funds</i>	<b>59,458</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>79,458</b>
General funds	63,746	207,054	(157,075)	-	(20,000)	<b>93,725</b>
<b>Total unrestricted funds</b>	<b>123,204</b>	<b>207,054</b>	<b>(157,075)</b>	<b>-</b>	<b>-</b>	<b>173,183</b>
<b>Total funds</b>	<b>177,595</b>	<b>225,589</b>	<b>(168,966)</b>	<b>127</b>	<b>-</b>	<b>234,345</b>

### Purposes of restricted funds

#### STTF (Subsidised Treatment and Training Fund)

The Subsidised treatment and Training Funds (STTF) are comprised of two amalgamated funds: the Training Patient and Bursary fund (TPBF) and the Reduced Fee Scheme, to which had been added last year The Welsh Fund.

#### Building purchase fund

This fund is for monies raised for the potential future purchase of a building for the charity.

### Purposes of designated funds

#### Building purchase fund

This fund is for monies set aside from general funds surplus, for the potential future purchase of a building for the charity.

## The Severnside Initiative for Psychotherapy

### Notes to the financial statements

For the year ended 31 August 2021

#### 15. Movements in funds (continued)

Prior period comparative	At 1 September 2019 £	Income £	Expenditure £	Gain on investments £	Transfers between funds £	At 31 August 2020 £
<b>Restricted funds</b>						
STTF	23,612	35,378	(13,559)	(216)	-	<b>45,215</b>
Building purchase fund	500	10,396	(1,720)	-	-	<b>9,176</b>
<b>Total restricted funds</b>	<b>24,112</b>	<b>45,774</b>	<b>(15,279)</b>	<b>(216)</b>	<b>-</b>	<b>54,391</b>
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
Building purchase fund	37,141	-	-	-	22,317	<b>59,458</b>
<i>Total designated funds</i>	<b>37,141</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,317</b>	<b>59,458</b>
General funds	43,379	196,831	(154,147)	-	(22,317)	<b>63,746</b>
<b>Total unrestricted funds</b>	<b>80,520</b>	<b>196,831</b>	<b>(154,147)</b>	<b>-</b>	<b>-</b>	<b>123,204</b>
<b>Total funds</b>	<b>104,632</b>	<b>242,605</b>	<b>(169,426)</b>	<b>(216)</b>	<b>-</b>	<b>177,595</b>

#### 16. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2021 £	2020 £
Amount falling due:		
Within 1 year	<b>18,615</b>	18,961
Within 1 - 5 years	<b>7,708</b>	26,324
	<b>26,323</b>	45,285

#### 17. Related party transactions

Mark Budden and Eva Gell, trustees, provide teaching services on the training courses provided by the charitable company. They received payments totalling £1,564 and £1,648 respectively (2020: £934 and £1,885) for teaching fees. Neither trustee received payments in their capacity as trustees. No amounts were owing at 31 August 2021 (2020: £Nil).



## **The Severnside Initiative for Psychotherapy**

### **Notes to the financial statements**

**For the year ended 31 August 2021**

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#### **18. Contingent liabilities**

The Severnside Initiative for Psychotherapy leases the Orchard Street premises from another charity, Lark Trust. The rent is subsidised on the basis that at the conclusion of the lease in 2023, The Severnside Initiative for Psychotherapy will purchase the premises. As at the balance sheet date, such subsidies amounted to £42,000. This amount would become chargeable should the charity decide not to purchase the property.

As it is deemed likely, on balance, that the property will be purchased as planned, the amount has been disclosed as a contingent liability only and has not been recognised in the statement of financial activities.