

Company no. 03799698
Charity no. 1079390

**The Severnside Initiative for
Psychotherapy
Report and Unaudited Financial
Statements
31 August 2024**

The Severnside Initiative for Psychotherapy

Report of the trustees

For the year ended 31 August 2024

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 2024.

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. Our Mission Statement is: *to improve the mental health of individuals and the community by promoting psychoanalytic thinking and the practice of psychoanalytic and psychodynamic psychotherapy, and by providing high quality education, and professional training.*

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 a consultation and referral service for members of the community who are interested in accessing therapy. SIP also raises funds to support the provision of low-cost therapy to people unable to afford the full cost of the treatment they require.

SIP offers a range of training opportunities aimed at increasing the availability of qualified and ethical practitioners in the Southwest of England, and in Wales. SIP's professional training is accredited by the British Psychoanalytic Council (BPC) meaning that qualification in psychoanalytic psychotherapy or psychodynamic psychotherapy leads to registration with the BPC. SIP provides a safeguarding framework for its practitioners and 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, ethical guidance, 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. Having purchased 11 Orchard Street on 31 January 2023, SIP now manages the building and is responsible for its maintenance. The building is used for SIP's training courses and for CPD events; also providing consulting room, meeting and event space to counsellors, therapists, and other therapy-related organisations. SIP is clear that its first aim on becoming the building's owner is to raise further funds to carry out adaptations to make the building fully accessible, providing a space for mental health professionals to offer in-person sessions to members of the community with mobility challenges. At our AGM in March 2024, it was agreed to work towards incorporating a low-cost clinic within SIP with recommendations from a working party chaired by Ally Kessler.

The Severnside Initiative for Psychotherapy

Report of the trustees

For the year ended 31 August 2024

MANAGEMENT OF THE ORGANISATION

At 31 August 2024 SIP had a total of 61 full members and 7 pre-retirement members, with an additional 1 non-practising associate, 9 clinical associates, 13 student associates, 5 honorary associates and 4 co-opted associates.

The business of SIP as a charitable company is managed by the Executive Committee, the Board of Trustees and the Ethics Committee. Nicky Coates continues as Finance Manager and Company Secretary. Mike Keating continues as Head of Training and Education (HoT&E); Georgina Holt is Training Administrator. Sadly Olivia Baxter, Office and Operations Manager (OOM), went on sick leave in September 2023 and left in December 2023. Her replacement, Johanna Nicholls, started in March 2024. Clare Harris continued to perform a freelance role as Building Overseer until the handover to the new OOM when her tasks had been incorporated into the OOM job description. During the period whilst Olivia was on sick leave various members took on many of her roles working many extra hours. The Trustees would like, therefore, to thank Julia Warburton (Chair of Membership) Stella Maile (Chair of EC) Nicky Coates (Finance Manager) and Clare Harris (Building Overseer) for all the extra work that they contributed to keep SIP on an even keel.

A significant proportion of the membership are also involved in the work of committees, giving their time voluntarily to ensure the sound running and further development of the organisation. The trustees are grateful to the honorary officers, committee members and staff who are essential to the running of 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. This last year, though, there has been some thought given, as to whether we could support, in some other way, voluntary work to encourage others to join in.

We had two new Trustees join us in October 2023- Deb Spaul and Steve Poland. Deb is a retired Clinical Psychologist and Steve was a financial advisor. Sadly, due to unforeseen family commitments, Deb stood down in August 2024.

PERFORMANCE

During this year the work of the organisation has continued steadily whilst adapting to the changes brought about by the purchase of Orchard Street and the establishment of more employed staff and its consequences on management procedures. Various changes were also made to the Rules and Bylaws in accordance. By the end of the year the Trustees and the EC were beginning to explore various governance changes in the light of finding the organisation top heavy and hoping to increase lines of communication. 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 2024 in the following paragraphs.

Training

The trustees are extremely grateful to those who have worked so hard running courses and being members of the various training committees. The various training committees have had members leave for personal reasons, but nevertheless the work has carried on and we are very grateful for those who have taken up the slack.

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For the year ended 31 August 2024

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. A curriculum group, led by Kathy Laurie, has also updated the recommended reading lists taking into account ethnicity, racism, gender and diversity issues. This curriculum group also organised the training so there will no longer be a need for a 'fallow year' with no new clinical intake every third year. The pre-clinical courses were renamed Foundations of Psychoanalytic Theory and Practice in order to target a wider and more diverse community.

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. Over the 12 months to 31st August 2024, SIP hosted a number of CPD events. Some were successful — the 32nd Annual Public lecture with guest speaker Graham Music and the Connecting Conversation with Rehan Zahid, were well attended — but others had to be cancelled due to poor ticket sales. The CPD committee and the Head of Training and Education are in discussion as to the reasons for this, and the best way forward.

Consultation and Referral Service

Clinical services offered by members were further rationalised this year through the continued development of the Consultation and Referral Service. This is undertaken by Area Representatives covering all localities from which SIP draws members. Referrals are managed by a member of SIP's office staff. This is important for trainees, who can build up their clinical experience by providing low-cost sessions, and also makes a contribution to public well-being at a time when affordable psychotherapy services are hugely in demand. SIP also continued to support Orchard Therapy, a pilot scheme launched in 2021, which saw a number of fully qualified SIP therapists offer free 10 remote therapy sessions to individuals unable to afford therapy (even at a low cost), who were referred by a small group of GPs.

Subsidised treatment and training (STTF)

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 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.

During the 12 months to 31 August 2024, thought was given to how we might increase our free and low-cost therapy provisions using a proportion of the surplus generated by the Orchard Street Therapy Rooms (OSTR): £16,845 was, therefore, moved to the Designated Subsidised Treatment and Training Fund: the first £10,000 being earmarked as funding for the low-cost clinic, the balance going towards the two subsidised treatment funds outlined above.

SIP continued to offer bursaries to help with the cost of fees for the Foundations courses, named 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.

The Severnside Initiative for Psychotherapy

Report of the trustees

For the year ended 31 August 2024

Risk management

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.

We now have a safeguarding policy, and a person responsible for this and this, which sits alongside that produced by the BPC which relates to the safeguarding of individuals. As part of risk management we changed the job description of the OOM to include overseeing the safety and maintenance of the building.

It has not been an easy year for SIP – as described in the Finance Manager's report. There has been the fallow training year and its consequences; a need to take on temporary staff to cover sick leave and appointment of a new OOM; and finally the need to shore up our very unstable SIP and Orchard Street websites. We did receive a legacy of £4,785 which has been placed in a newly designated Engagement Fund to help fund an improved website to strengthen SIP's communication with the outside world.

OSTR has performed well and the income from the training is anticipated to improve. Thus we consider that the charity will continue as a going concern for at least 12 months from the date on which these financial statements are approved.

This confidence is underscored by the fact that:

- 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 professions;
- The charity holds general fund reserves of £90,301; and
- The charity has made huge headway in its governance and is looking to increase its charity aspect and, through grants, improve the access for disabled persons.

The trustees therefore consider it appropriate to adopt the going concern basis for the preparation of the accounts.

Fees and budgets

Fees were reviewed for all elements of the training and an increase, equating to approximately 2%, was applied to fees for SIP's Clinical courses. Fundamentals fees increased by 8.5% and Introductory fees increased by around 6.75%.

SIP's membership fees increased at approximately 5%, lower than the rate of inflation, which was intended to go some way towards meeting the organisation's rising costs, while acknowledging that costs were also increasing rapidly for our members.

Staff Salaries

It was acknowledged early in the year that the rates of pay for staff had remained static since 2016, apart from a 1% rise in 2019. It was therefore decided in February 2024 to increase staff salaries, and to review them annually dependent on SIP's financial situation.

The Severnside Initiative for Psychotherapy

Report of the trustees

For the year ended 31 August 2024

The Finance Manager (who started in June 2022) was given a pay increase of 4% backdated to September 2023, then a further increase of 3% from April 2024. The Head of Education and Training (who started in February 2023) and the Training Assistant (who started in August 2023) were given an increase of 3% from April 2024. The Office and Operations Manager (who started in March 2024) would be given a 3% increase at the end of a six-month probation, and the person taking on the new role of Administration Assistant, at the end of a six-month probation period, would be paid at the same rate as the Training Administrator.

FINANCIAL REVIEW

A detailed summary of accounts for the year ended 31st August 2024, 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 £90,301.

Subsidised Treatment and Training Fund (restricted)

The Subsidised Treatment and Training Fund (STTF) is comprised of two amalgamated funds: the Training Patient and Bursary Fund (TPBF) and the Reduced Fee Scheme (RFS), to which the Welsh Bursary Fund was added in 2020. Funds for the Low-Cost Clinic are now also held within the STTF.

The STTF fund supported the low-cost work of 9 members (including student associates), and their patients, with payments totalling £4,285.

At the year end, the Subsidised Treatment and Training Fund (restricted) had a total value of £26,696, £24,997 of which is earmarked for the Welsh Bursary Fund, and £830 of which is earmarked for the Low-Cost Clinic.

Subsidised Treatment and Training Fund (designated)

This is the repository for internal transfers of SIP funds and contained £30,543 after the transfer from the OSTR surplus, of which £10,000 is earmarked for the Low-Cost Clinic.

Building Improvement Fund (restricted)

This fund is for monies raised for future improvements of 11 Orchard Street since its purchase. Its value at the year end was £2,810.

Building Improvement Fund (designated)

This fund is for monies set aside from general funds surplus, for planned improvements of 11 Orchard Street, which include making the building more accessible. The designation of these funds is reversible, should SIP require the funds for other expenditure deemed more important by the trustees. Its value at the year end was £22,971.

The Severnside Initiative for Psychotherapy

Report of the trustees

For the year ended 31 August 2024

Land and Building Funds (designated)

The amount held in Land and Buildings (to cover the capital costs of the purchase of 11 Orchard Street) at the year end was £181,930.

Total value of restricted and unrestricted funds

The total value of restricted and unrestricted funds at the year end was £365,251.

Reserves

Our policy is to hold general reserves amounting to at least 40% of the previous year's expenditure (excluding restricted funds). Our reserves at 31st August 2024 (£90,301) were at 51% 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 1st September 2023 until the date on which the accounts were signed, are listed at the beginning of this report.

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

The Severnside Initiative for Psychotherapy

Report of the trustees

For the year ended 31 August 2024

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).

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 22 February 2025 and signed on their behalf by

Eva Gell

Eva Gell - Chair

Independent examiner's report

To the trustees of

The Severnside Initiative for Psychotherapy

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 2024, which are set out on pages 10 to 25.

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.

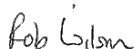
Independent examiner's statement

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: 23 February 2025

Robert 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 2024

	Note	Restricted £	Unrestricted £	2024 Total £	2023 Total £
Income from:					
Donations and legacies	3	5,736	4,786	10,522	39,689
Charitable activities:					
Training		-	79,886	79,886	86,111
Membership		-	29,907	29,907	21,556
Orchard Street management fund		-	90,712	90,712	83,795
CPD and events		-	2,527	2,527	4,352
Consultation and referral service		-	1,473	1,473	2,005
Investments		<u>1,890</u>	<u>-</u>	<u>1,890</u>	<u>1,299</u>
Total income		<u>7,626</u>	<u>209,291</u>	<u>216,917</u>	<u>238,807</u>
Expenditure on:					
Raising funds		-	41	41	505
Charitable activities:					
Training		-	98,224	98,224	77,383
Membership		-	26,561	26,561	18,683
Orchard Street management fund		1,068	48,666	49,734	50,403
CPD and events		-	11,382	11,382	10,355
Consultation and referral service		-	10,838	10,838	7,916
Subsidised treatment and training fund		<u>4,285</u>	<u>-</u>	<u>4,285</u>	<u>11,981</u>
Total expenditure	4	<u>5,353</u>	<u>195,712</u>	<u>201,065</u>	<u>177,226</u>
Net gains / (losses) on investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>(521)</u>
Net income and net movement in funds	5	2,273	13,579	15,852	61,060
Reconciliation of funds:					
Total funds brought forward		<u>27,233</u>	<u>322,166</u>	<u>349,399</u>	<u>288,339</u>
Total funds carried forward		<u>29,506</u>	<u>335,745</u>	<u>365,251</u>	<u>349,399</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 2024

	Note	£	2024 £	2023 £
Fixed assets				
Tangible assets	8		598,155	610,794
Investments	9		<u>-</u>	<u>-</u>
			598,155	610,794
Current assets				
Debtors	10	91,923		64,597
Cash at bank and in hand		205,939		<u>232,886</u>
		297,862		297,483
Liabilities				
Creditors: amounts falling due within 1 year	11	(138,891)		<u>(144,503)</u>
Net current assets			158,971	152,980
Total assets less current liabilities			757,126	763,774
Creditors: amounts falling due after more than 1 year	13		(391,875)	<u>(414,375)</u>
Net assets	14		365,251	<u>349,399</u>
Funds	15			
Restricted funds			29,506	27,233
Unrestricted funds				
Designated funds			245,444	208,415
General funds			90,301	<u>113,751</u>
Total charity funds			365,251	<u>349,399</u>

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, 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.

The Severnside Initiative for Psychotherapy

Balance sheet

As at 31 August 2024

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 22 February 2025 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 2024

1. Accounting policies

a) General information and basis of preparation

The Severnside Initiative for Psychotherapy is a charitable company limited by guarantee registered in England and Wales. The registered office address is 11 Orchard Street, Bristol, BS1 5EH.

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 charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

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 2024

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:

	2024	2023
Raising funds	0%	0%
Charitable activities:		
Training	50%	53%
Membership	16%	14%
Orchard Street management fund	17%	14%
CPD and events	7%	6%
Consultation and referral service	10%	8%
Subsidised treatment and training fund	0%	5%

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
Land and buildings	50 years

Items are capitalised where the purchase price exceeds £500.

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

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 2024

2. Prior period comparatives: statement of financial activities

	Restricted £	Unrestricted £	2023 Total £
Income from:			
Donations and legacies	31,985	7,704	39,689
Charitable activities:			
Training	-	86,111	86,111
Membership	-	21,556	21,556
Orchard Street management fund	-	83,795	83,795
CPD and events	-	4,352	4,352
Consultation and referral service	-	2,005	2,005
Investments	733	566	1,299
Total income	32,718	206,089	238,807
Expenditure on:			
Raising funds	-	505	505
Charitable activities:			
Training	-	77,383	77,383
Membership	-	18,683	18,683
Orchard Street management fund	-	50,403	50,403
CPD and events	-	10,355	10,355
Consultation and referral service	-	7,916	7,916
Subsidised treatment and training fund	7,641	4,340	11,981
Total expenditure	7,641	169,585	177,226
Net losses on investments	(521)	-	(521)
Net income / (expenditure)	24,556	36,504	61,060
Transfers between funds	(59,455)	59,455	-
Net movement in funds	(34,899)	95,959	61,060

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

3. Income from donations and legacies

	Restricted £	Unrestricted £	2024 Total £
Donations	5,736	500	6,236
Legacies	-	4,286	4,286
Total income from donations and legacies	5,736	4,786	10,522

Prior period comparative

	Restricted £	Unrestricted £	2023 Total £
Donations	5,985	10	5,995
Gifts in kind*	-	7,694	7,694
Grants	26,000	-	26,000
Total income from donations and legacies	31,985	7,704	39,689

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

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

4. 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 £	2024 Total £
Fundraising costs	41	-	-	-	-	-	-	-	41
Staff costs (note 6)	-	42,831	7,071	9,222	3,535	3,478	-	9,862	75,999
Seminar leader and freelance fees	-	19,365	-	5,307	559	1,697	-	4,382	31,310
Travel and subsistence	-	3,470	7	14	-	-	-	194	3,685
Event costs	-	-	-	-	3,143	-	41	269	3,453
Membership fees and subscriptions	-	1,560	9,923	-	-	-	-	2,063	13,546
Premises costs	-	14	-	23,227	3	-	-	5,648	28,892
Treatment and training subsidies	-	419	-	-	-	-	4,241	-	4,660
Other direct costs	-	-	-	-	-	-	3	-	3
Library costs	-	-	97	-	-	-	-	1,430	1,527
Office expenses	-	1,982	-	1,988	2	-	-	13,527	17,499
Legal and professional	-	-	-	132	-	-	-	6,120	6,252
Bank charges	-	24	-	-	-	-	-	175	199
Depreciation	-	-	-	-	-	-	-	13,999	13,999
Sub-total	41	69,665	17,098	39,890	7,242	5,175	4,285	57,669	201,065
Allocation of support and governance costs	-	28,559	9,463	9,844	4,140	5,663	-	(57,669)	-
Total expenditure	41	98,224	26,561	49,734	11,382	10,838	4,285	-	201,065

Total governance costs were £5,346 (2023: £5,739).

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

4. Total expenditure (continued)

Prior period 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 £	2023 Total £
Fundraising costs	505	-	-	-	-	-	-	-	505
Staff costs (note 6)	-	31,629	8,366	8,500	3,595	4,984	2,780	8,442	68,296
Seminar leader and freelance fees	-	20,103	159	880	-	135	-	-	21,277
Travel and subsistence	-	1,620	-	42	544	-	-	21	2,227
Event costs	-	71	184	-	4,121	-	-	-	4,376
Membership fees and subscriptions	-	1,638	5,120	-	-	-	-	2,926	9,684
Premises costs	-	3,317	-	29,016	-	-	-	8,213	40,546
Treatment and training subsidies	-	216	-	-	-	-	7,641	-	7,857
Library costs	-	-	-	-	-	-	-	1,741	1,741
Office expenses	-	453	158	9	77	-	-	5,687	6,384
Legal and professional	-	583	-	-	-	-	-	3,786	4,369
Bank charges	-	-	-	-	-	-	-	206	206
Depreciation	-	-	-	7,184	-	-	-	2,574	9,758
Sub-total	505	59,630	13,987	45,631	8,337	5,119	10,421	33,596	177,226
Allocation of support and governance costs	-	17,753	4,696	4,772	2,018	2,797	1,560	(33,596)	-
Total expenditure	505	77,383	18,683	50,403	10,355	7,916	11,981	-	177,226

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

5. Net movement in funds

This is stated after charging:

	2024 £	2023 £
Depreciation	13,999	9,758
Operating lease payments	-	7,708
Trustees' remuneration	Nil	605
Trustees' reimbursed expenses	Nil	Nil
Independent examiner's remuneration		
▪ Independent examination (excluding VAT)	1,975	1,900
▪ Other services (excluding VAT)	338	264

Trustees' remuneration is disclosed in note 16.

In common with other charities of our size and nature we use our independent examiners to assist with the preparation of the financial statements.

6. Staff costs and numbers

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	72,944	65,711
National insurance costs	137	-
Pension costs	2,918	2,585
	<u>75,999</u>	<u>68,296</u>

No employee earned more than £60,000 during the current or prior period.

The key management personnel of the charitable company comprise the trustees. The total employee benefits of the key management personnel were £Nil (2023: £Nil).

Staff numbers were as follows:

	2024 No.	2023 No.
Average head count	<u>4.1</u>	<u>3.8</u>
Full time equivalents	<u>2.1</u>	<u>2.3</u>

7. 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 2024

8. Tangible fixed assets	Computer equipment £	Land and buildings £	Total £
Cost			
At 1 September 2023	7,722	615,805	623,527
Additions in year	<u>1,360</u>	<u>-</u>	<u>1,360</u>
At 31 August 2024	<u>9,082</u>	<u>615,805</u>	<u>624,887</u>
Depreciation			
At 1 September 2023	5,549	7,184	12,733
Charge for the year	<u>1,683</u>	<u>12,316</u>	<u>13,999</u>
At 31 August 2024	<u>7,232</u>	<u>19,500</u>	<u>26,732</u>
Net book value			
At 31 August 2024	<u>1,850</u>	<u>596,305</u>	<u>598,155</u>
At 31 August 2023	<u><u>2,173</u></u>	<u><u>608,621</u></u>	<u><u>610,794</u></u>
9. Investments		2024	2023
		£	£
Market value at 1 September	-	-	6,919
Unrealised gains / (losses)	-	-	(521)
Disposals	-	<u>-</u>	<u>(6,398)</u>
Market value at 31 August		<u><u>-</u></u>	<u><u>-</u></u>
10. Debtors		2024	2023
		£	£
Trade debtors	79,024	79,024	53,417
Prepayments	11,512	11,512	9,852
Accrued income	387	387	328
Trainee loans	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>91,923</u>	<u>91,923</u>	<u>64,597</u>

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

11. Creditors : amounts falling due within 1 year

	2024 £	2023 £
Trade creditors	14,444	11,729
Accruals	2,370	2,280
Other taxation and social security	1,672	2,113
Deferred income (see note 12)	97,016	105,012
Other creditors	889	869
Loans	22,500	22,500
	<u>138,891</u>	<u>144,503</u>

12. Deferred income

	2024 £	2023 £
At 1 September	105,012	105,996
Deferred during the year	97,016	105,012
Released during the year	<u>(105,012)</u>	<u>(105,996)</u>
At 31 August	<u>97,016</u>	<u>105,012</u>

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

13. Creditors : amounts falling due after more than 1 year

	2024 £	2023 £
Loans	<u>391,875</u>	<u>414,375</u>

The loan is a 20 year loan was for purchase of 11 Orchard Street, secured by a fixed charge over the property. The loan commenced in 2023 and is repayable at £22,500 per annum. No interest is charged.

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

14. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	596,305	1,850	598,155
Current assets	29,506	63,514	204,842	297,862
Current liabilities	-	(22,500)	(116,391)	(138,891)
Non-current liabilities	-	(391,875)	-	(391,875)
Net assets at 31 August 2024	29,506	245,444	90,301	365,251
Prior period comparative				
	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	608,621	2,173	610,794
Current assets	27,233	36,669	233,581	297,483
Current liabilities	-	(22,500)	(122,003)	(144,503)
Non-current liabilities	-	(414,375)	-	(414,375)
Net assets at 31 August 2023	27,233	208,415	113,751	349,399

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

15. Movements in funds

	At 1 September 2023 £	Income £	Expenditure £	Transfers between funds £	At 31 August 2024 £
Restricted funds					
Building improvement fund	1,957	1,921	(1,068)	-	2,810
STTF	<u>25,276</u>	<u>5,705</u>	<u>(4,285)</u>	<u>-</u>	<u>26,696</u>
Total restricted funds	<u>27,233</u>	<u>7,626</u>	<u>(5,353)</u>	<u>-</u>	<u>29,506</u>
Unrestricted funds					
<i>Designated funds:</i>					
Building improvement fund	22,971	-	-	-	22,971
Land and buildings	171,746	-	(12,316)	22,500	181,930
STTF	13,698	-	-	16,845	30,543
Engagement fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
<i>Total designated funds</i>	<u>208,415</u>	<u>-</u>	<u>(12,316)</u>	<u>49,345</u>	<u>245,444</u>
General funds	<u>113,751</u>	<u>209,291</u>	<u>(183,396)</u>	<u>(49,345)</u>	<u>90,301</u>
Total unrestricted funds	<u>322,166</u>	<u>209,291</u>	<u>(195,712)</u>	<u>-</u>	<u>335,745</u>
Total funds	<u><u>349,399</u></u>	<u><u>216,917</u></u>	<u><u>(201,065)</u></u>	<u><u>-</u></u>	<u><u>365,251</u></u>

Purposes of restricted funds

Building improvement fund

This fund is for monies raised for future improvements of 11 Orchard Street.

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 The Welsh Fund was added in 2020.

Purposes of designated funds

Building improvement fund

This fund is for monies set aside by the trustees for future improvements of 11 Orchard Street.

Land and buildings

This fund represents the net book value of land and buildings currently held in fixed assets less the outstanding loan on the property.

STTF

For monies set aside from a surplus of general funds to support the provision of low-cost therapy by members and trainees.

The Severnside Initiative for Psychotherapy

Notes to the financial statements

For the year ended 31 August 2024

15. Movements in funds (continued)

Purposes of designated funds (continued)

Engagement fund

This fund is to be used to promote Severnside's activities and the benefits of psychotherapy to a wider audience.

Purposes of transfers

Transfers to the land and buildings fund from unrestricted funds represent loan repayments made in the year.

Transfers to the STTF and engagement designated funds represent excess monies put towards supporting low-cost therapy and engagement activities.

Prior period comparative	At 1 September 2022 £	Income £	Expenditure £	Loss on investments £	Transfers between funds £	At 31 August 2023 £
Restricted funds						
Building improvement fund	-	1,957	-	-	-	1,957
Building purchase fund	32,640	27,336	-	-	(59,976)	-
STTF	29,492	3,425	(7,641)	(521)	521	25,276
Total restricted funds	62,132	32,718	(7,641)	(521)	(59,455)	27,233
Unrestricted funds						
<i>Designated funds:</i>						
Building improvement fund	-	-	-	-	22,971	22,971
Building purchase fund	21,425	566	-	-	(21,991)	-
Land and buildings	78,790	-	(7,184)	-	100,140	171,746
STTF	10,000	-	-	-	3,698	13,698
<i>Total designated funds</i>	<i>110,215</i>	<i>566</i>	<i>(7,184)</i>	<i>-</i>	<i>104,818</i>	<i>208,415</i>
General funds	115,992	205,523	(162,401)	-	(45,363)	113,751
Total unrestricted funds	226,207	206,089	(169,585)	-	59,455	322,166
Total funds	288,339	238,807	(177,226)	(521)	-	349,399

16. Related party transactions

There were no related party transactions in the current year.

In the prior year, Mark Budden and Eva Gell, trustees, provided teaching services on the training courses provided by the charitable company. They received payments totalling £605 for teaching fees. Neither trustee received payments in their capacity as trustees.