

DERWENT RURAL COUNSELLING SERVICE

England & Wales · Charity number 1124775

Details

Other names	DERWENT RURAL COUNSELLING SERVICE LIMITED
Status	Registered
Legal form	Charitable company
Company number	06081874
Registered	2008-07-01
Register	View on the Charity Commission register

Contact

Address	Serenity House New Beetwell Street Chesterfield Derbyshire S40 1QR
Phone	01246232891
Email	admin@dracs.org.uk
Website	www.dracs.org.uk

Activities

Objects: TO PROMOTE THE GOOD MENTAL HEALTH AND WELLBEING OF ANY MEMBERS OF THE PUBLIC WHO ARE EXPERIENCING MENTAL ILLNESS, HOWEVER AND WHEREVER THOSE PROBLEMS OR ILLNESSES HAVE ARISEN, THROUGH THE USE OF COUNSELLING, THERAPEUTIC AND PREVENTATIVE PRACTICES.

Activities: DRCS provides confidential professional counselling for a range of issues including bereavement, depression, anxiety, stress, self-esteem and relationship problems for residents of Derbyshire and beyond

Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** PEAK DISTRICT AND SURROUNDING AREA
- Derbyshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,815,258	£1,571,252	£2,028,897	11
2024-03-31	£2,106,477	£1,892,316	£1,784,891	23
2023-03-31	£2,126,308	£2,060,290	£1,570,730	41
2022-03-31	£2,015,929	£2,051,122	£1,504,712	40
2021-03-31	£3,278,117	£3,028,159	£1,539,905	71

Trustees

Name	Role	Appointed
Robert Max Biddulph	Chair	2021-12-08
MENNA YARWOOD		2024-11-06
Matthew Donald Varnham		2023-12-13

Accounts

Company registration number: 06081874

Charity registration number: 1124775

Derwent Rural Counselling Service

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2025

Derwent Rural Counselling Service

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Derwent Rural Counselling Service

Trustees' Report

Reference and Administrative Details

The Trustees, (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Derwent Rural Counselling Service (the charity) for the year ended 31 March 2025. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Charity registration number: 1124775

Company Registration Number: 06081874

Trustees:

- Dr P L Askham (resigned 17 September 2025)
- Dr R M Biddulph
- Mr M R D Serby, Chair (resigned 10 April 2024)
- Mr M D Varnham
- Ms N J Adams (resigned 10 April 2024)
- Ms G Capewell (resigned 10 April 2024)
- Ms J Howlings (resigned 10 April 2024)
- Ms E T Muller (resigned 10 April 2024)
- Ms A J Worsnip (resigned 10 April 2024)
- Ms G Y J Nkahirwa (appointed 7 June 2024 and resigned 2 October 2024)
- Ms J Henderson (appointed 6 November 2024 and resigned 30 June 2025)
- Mrs M Yarwood (appointed 6 November 2024)

Senior Management Team:

- Ms J Smeeton, Chief Executive Officer (resigned 18 September 2025)
- Mr M Penman, Operations Manager (resigned 31 May 2025)
- Ms K Heappey, Clinical Lead (resigned 30 June 2025)
- Ms A Wilshaw, Service Manager (appointed 1 July 2025)

Registered Office:

Serenity House
New Beetwell Street
Chesterfield
S40 1QR

Auditor:

Hawsons Chartered Accountants
Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
South Yorkshire
S10 2QD

Derwent Rural Counselling Service

Trustees' Report (continued)

Bankers:

National Westminster Bank plc
1 Water Lane
Bakewell
DE45 1YY

CCLA - COIF
1 Angel Lane
London
EC4R 3AB

Derwent Rural Counselling Service

Trustees' Report (continued)

Derwent Rural Counselling Service (DRCS) is a charity that has been providing counselling and psychological therapy services across Derby and Derbyshire for the past 36 years. In the period of the report (1 April 2024 - 31 March 2025) DRCS operated as a sub-contractor for Talking Mental Health Derbyshire (TMHD) and the Talking Therapy for Anxiety and Depression (TTAD) service of Derbyshire Health Care Foundation Trust (DHCFT).

Our foundation in 1989 was in response to the needs of the rural community in the High Peaks and Dales and the crisis of foot and mouth disease that devastated the farming community. Our purpose then was to support these communities through this crisis.

This report is presented by the Trustees of the charity, Derwent Rural Counselling Service (DRCS), who are also directors for the purposes of the Companies Act. Each year we present this annual report together with the audited financial statements for the year ended. This report covers the year ended 31 March 2025. We can confirm that the Annual Report and Financial Statements comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as 'small' under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

The charity's objectives are to promote the good mental health and wellbeing of any members of the public who are experiencing mental illness, however and wherever those problems or illnesses have arisen, through the use of counselling, therapeutic and preventative practices.

Activities for achieving these objectives include a variety of therapies including

- Low intensity Cognitive Behavioural therapy (CBT) Step 2
- Counselling
- Couples counselling
- Cognitive Behavioural therapy (CBT)
- Interpersonal psychotherapy (IPT)
- Guided self help
- Eye movement desensitisation & reprocessing (EMDR)
- Dynamic Interpersonal Therapy (DIT)
- Well-being workshops in schools and businesses for therapists and other professionals in a business or educational setting including Queen Elizabeth Grammar School.
- Working as a subcontractor to Talking Mental Health Derbyshire (TMHD).

Strategies for achieving these objectives

Strategies are based on a commitment to provide professional confidential and empathic therapy to anyone who asks, which is essential given the increasing demand of the impact of mental health concerns affecting 1 in 4 adults and 1 in 10 children every year in an increasingly complex post-pandemic world (McManus S., Bebbington P., Jenkins R. and Brugha T. 2016; ONS 2024).

We have a team of highly qualified and experienced accredited therapists ready to help any individual, regarding themselves personally, or if they are worried about a friend, colleague or loved one. We help individuals decide on the right choice of therapy and offer professional advice.

Derwent Rural Counselling Service

Trustees' Report (continued)

We help support businesses, schools and other educational establishments through our programme of preventative workshops. These focus on early identification of Mental Health difficulties amongst staff or students and overcoming stigma. A culture of wellbeing in the work place or learning environment is proven to have a positive impact on productivity and performance.

The charity uses a number of key performance measurements to assess success in delivering our objectives and activities. These are:

- Recovery rates (meaningful recovery, step 2 recovery, step 3 recovery and overall recovery)
- Number of clients awaiting treatment
- Number of days clients await treatment
- Financial results against forecast results

These performance indicators are measured against our own targets, regional targets and national targets.

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. This is referred to in the achievements and performance section of this report.

Achievements and Performance

Review of Activities

Meeting demand

The demand for our service continues to grow and our achievements and challenges are listed below:

- In 2024-25, the number of completed episodes of treatment provided by DRCS in the TMHD and TTAD contract was 2,560.
- The overall recovery rate achieved for 2024/25 was 69% (2024: 58%; 2023: 56.2%; 2022: 61%; 2021: 62.1%; 2020: 57.4%; 2019: 57%; 2018: 58.9%) against a national target of 50% (NHS England guidelines).
- In addition to the main contract, DRCS continued to deliver its own chargeable psychological therapy service to the public. Income from this activity has fallen in recent years as a result economic pressures for clients during the cost-of-living crisis.
- In the year 2024/25 of the 2560 completed episodes of care were recorded - 255 were at step 2 and 2,305 at step 3*
- DRCS continued to offer a variety of ways to access appointments: face to face, online video platform or telephone. The preference for face-to-face delivery has continued to grow and now accounts for 90% of our service delivery.
- Client feedback through the client experience questionnaire has remained positive with over 95% saying they would recommend DRCS to friends and family.

*NHS Stepped Care Model - step 2 work undertaken by Psychological Well-Being Practitioners (PWPs); step 3 work undertaken by CBT/High Intensity therapists

Waiting times

- Waiting times fluctuated during the year. In April 2024 waiting lists were long, however our team of 60 Counsellors were able to gain traction and reduce this considerably in the first quarter. TMHD also decided to close to new referrals periodically in the second and third quarters, to manage their waiting lists. In turn this reduced the numbers of people being added to our counselling waiting list. In the year 2024/25 85% of all TTAD clients were seen within 28 days (first treatment appointment).

Derwent Rural Counselling Service

Trustees' Report (continued)

Status

- DRCS, in conjunction with Derbyshire Health Care Foundation Trust (DHcFT), continued its status as 'a qualified provider' (AQP) of TTAD (formerly IAPT) services in Derbyshire. However, this is the final year of the current TTAD contract in Derby and Derbyshire and the Integrated Care Board have adopted a new approach, seeking only to appoint a lead or sole provider model. The contract was advertised for tender and Derbyshire Health Care Foundation Trust chose not to bid for it. The trustees of DRCS considered forming a new partnership to bid for the contract but decided against this.
- As DHcFT /TMHD were approaching the end of their contract with the ICB, DRCS were initially informed by DHcFT that our subcontracting arrangement would end in March 2025, however this was subsequently extended until 30th June 2025.
- TMHD monitored their own contract very carefully as they brought it to a close. The impact this had on DRCS was that in Quarters 3 and 4 the number of clients required to be seen by our counselling team was greatly reduced. This is shown in our statistics compared to 2023-24 as outlined earlier in this report.
- DRCS is continuing to promote its own brand, taking on direct contracts with employers, schools and businesses, individual members of the public, maintaining other existing contracts as well as using advertising, social media promotions and attendance at stakeholder events, continuing to monitor and apply for appropriate funding opportunities.
- Our most recent British Association for Counselling and Psychotherapy (BACP) accreditation report praised DRCS by recognising our outstanding performance in the delivery of our service.
- DRCS continued to maintain its popular charitable therapy service and adult services have attracted enquiries from outside of Derbyshire. We have been pleased to be able to re-open our service to children and young people (CYP) which re-opened to referrals on 6th January 2025 for face-to-face, telephone and Zoom CYP clients (11+).
- DRCS continued its work in the Education sector providing professional supervision of teaching and support staff into schools. Face to face counselling and well-being work also continued with individual students in school settings.

Contracts and partnerships - ongoing and live in 2024-25

(a) Work with Public sector organisations

- DDDC (Derbyshire Dales District Council) - bespoke 1-1 Counselling.
- Peak District National Park Authority - bespoke 1-1 Counselling.
- Rural Action Derbyshire - bespoke 1-1 Counselling.

(b) Work with the Education sector

- Queen Elizabeth Grammar School - 1-1 Counselling 11+ Face to Face, with year groups Y7 - Y11.
- Well-being supervision in schools for staff including pastoral and designated safeguarding leads at New Mills School, Glossopdale High School, Chapel-en-le-Frith High School.

Recruitment and staffing

- On 31 March 2025, DRCS had 11 employees on the payroll. We also had self-employed agreements with 20 counsellors/therapists.
- 2 members of staff were made redundant through a voluntary redundancy scheme between December 2024 and March 2025.
- HR Management platform, a company sick pay scheme, and an additional benefits package with Perkbox all maintained.
- Continued our pre-accreditation opportunity for counsellors with aim of BACP or equivalent accreditation within 6 months to drive professional standards.

Derwent Rural Counselling Service

Trustees' Report (continued)

- DRCS Board of Trustees welcomed new members in the role of trustee during this financial year namely, Ms J. Henderson (appointed 6 November 2024); Ms G. Nkahirwa (appointed 7 June 2024); Ms M. Yarwood (appointed 6 November 2024).

Infrastructure

Our portfolio of owned and leased properties (Belper, Alfreton, Derby, Chesterfield, Long Eaton, Bakewell) underwent regular maintenance.

However, due to the significant downturn in referrals following TMHD bringing their contract to an end we no longer needed all of this counselling space capacity. Consequently, a strategy of space reduction was initiated beginning with the serving of notice on the lease for our Bakewell office at the end of 2024. On 19 February 2025, the Alfreton Office was placed on the market for sale followed by the Derby property on 27 February 2025. With regard to the latter although there are strong arguments for retaining this property, due to the forecast reduction of income the charity would experience, it was decided to test the appetite in the marketplace.

Profiling

DRCS maintains its focus of keeping the clients' best interests at the centre of decision making. We continue to strive to provide a first-class service to all our clients and customers be they individual members of the public, services supplied to employers, schools, businesses, local authorities or the NHS.

We aim to be the first choice for those that require support and help with their mental health. We will achieve this through maintaining our targeted social media and advertising strategy, networking and presenting at stakeholder events, strategically applying for funding and new contracts.

DRCS has a big vision for the future building on our strengths of providing successful services to:

- individuals from all backgrounds and communities who seek help with their mental health via our BACP accredited counselling service - this aims to be inclusive, accessible and bespoke to our clients.
- the Education sector where we aim to expand our services providing therapy for students and staff, as well as supervision for staff in range of settings such as schools and colleges.
- professionals seeking workplace supervision that has a social-emotional dimension e.g. individual counsellors and therapists, leaders and managers in organisations.
- professionals in the helping professions who seeking high quality, relevant, certificated professional development and training via the DRCS professional development programme that addresses a range of current issues and challenges.
- professionals in the business and public sectors seeking education, professional development and training on issues that intersect with DRCS' expertise e.g. recognising and managing stress, enhancing wellbeing, managing anxiety, tackling depression etc.
- partners, groups and individuals in the Derbyshire community who can utilise our spaces via our high quality, serviced room hire service.

Financial Review

Income for the year was £1,815,258 (2024: £2,106,477).

Expenditure for the year was £1,571,252 (2024: £1,892,316).

The Charity's net income was £244,006 (2024: £214,161).

Derwent Rural Counselling Service

Trustees' Report (continued)

Principal risks and uncertainties

The financial year 2024-25 was a significant year for the charity in that a process of reconfiguration and refocussing began for DRCS triggered by the decision by Derbyshire Health Care Foundation Trust not to bid to be sole provider of NHS Talking Therapies Service in Derbyshire (see earlier 'Status' section in this report). The trustees of DRCS considered forming a new partnership to bid for the contract but given the complexities, time scales and challenges of this move, decided against this. This strategic decision has exposed the charity to a number of risks previously identified on our organisational risk register. Given the magnitude and speed of this change the trustees and senior management team (SMT) established three sub-committees to plan a strategic response in key areas such as financial management and service development, membership of which was drawn from trustees and SMT personnel.

These risks, together with the steps taken to mitigate against them, are outlined below:

Risk: loss of contract with consequent loss of main income stream

Mitigation: immediate review of financial strategy to stabilize finances as soon as the downturn in income was forecast, looking for savings in outgoings and overheads as well as looking for new opportunities to generate income e.g. maximising room hire/letting income from our remaining offices in Chesterfield and Derby. A review of the referral rate into the original DRCS service (this is not part of the free to access NHS funded contract that we deliver) also took place with the aim of increasing the number of enquiries and referrals. In addition, a proactive approach has been taken to monitoring new contracts that are put out to tender and DRCS will apply for those that it can confidently service. We are maintaining our Cyber Essentials and Cyber Essentials plus accreditation as well as the NHS toolkit so that we are tender-ready. We are also considering commissioning a new data base.

Risk: office accommodation, running costs and surplus provision i.e. under-utilised or lack of building/office space; spare capacity not being utilised or turned to account

Mitigation: notice was served on all leased properties beginning with Bakewell (terminated March 2025). We closed our Alfreton office in December 2024, and this together with our Derby premises was placed on the market for sale in February 2024 .

Risk: employment issues e.g. under capacity and staff well-being issues

Mitigation: given the probability that we would not have enough work to keep all our employees and contractors fully engaged, we consulted with staff at the earliest opportunity in November 2024 and offered a voluntary redundancy scheme to reduce staff numbers. This avoided compulsory redundancies.

Risk: Competition from similar organisations i.e. moving from a contracted (NHS) service to deliver a free at point of access service to a fee charging model means that only clients that can afford to pay can choose to access the service. This puts DRCS in direct competition with all other talking therapy services including NHS Talking Therapy for Anxiety and Depression, Derby and Derbyshire service as well as all other organisations offering a counselling service e.g. charities, private businesses and self employed counsellors.

Derwent Rural Counselling Service

Trustees' Report (continued)

Mitigation: we have reviewed the market and have marketed the key selling points of our brand, e.g. by continuing to offer a low-cost service for individuals who could evidence they are in receipt of means tested benefits. We reduced the fee we have historically charged from £60 to £50 to those who pay full fee to be competitive in the marketplace. This provided an opportunity for DRCS to enact its ethos as charity i.e. we offered a free assessment with 6 x free sessions of therapy for both adults 18+ and Children and Young People within the charitable DRCS Service. If clients were to continue, they then paid £50.00 per session with reduction to £10.00 for those clients who were on means tested benefits.

In advertising we are capitalising on our outstanding BACP rating and promoting our 'no waiting times' strapline evidenced by the fact that the majority of referrals we received are assessed and matched with a counsellor within one week. We have also reviewed the methods of service delivery by maintaining our face to face, online and telephone delivery making our service as accessible to as many people as possible.

Reserves Policy

The reserves policy is under constant review, setting a target level of reserves which is fit for purpose. The volume of activities has increased to pre pandemic levels. The charity requires enough funds in reserves to cover general expenditure in case of funding short-fall as well as a funds to cover future lease/mortgage commitments and a sufficient amount for investment and development of the charity's services and infrastructure.

At the year-end free reserves not tied up in fixed assets and excluding bank loans secured on property were £933,367.

The target level of reserves at 31 March 2025 was £600,000 and accounted for three months of overall costs taking into consideration inflation and future lease commitments. However, since the year-end there has been the loss of a significant contract, resultant redundancies and the closure of properties, thus reducing operational costs.

Therefore, the recalculated level of reserves, taking into account three months of overall costs and future commitments is £196,000.

Going Concern

After making appropriate enquiries and given the planned sale of properties, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Plans for future periods

Future developments

DRCS is continuing with its strategy of growth. It is still the long-term strategy to develop the charity into a centre of excellence for providing psychological services and a preferred employer. As mentioned earlier in the report, DRCS is focussed on increasing its market share within the paid for therapy sector and we also be placing an increased emphasis on fund raising, something that received less attention whilst servicing the NHS contract as we were able to use residual income to fund our charitable free/ low-cost activities.

In 2022 the charity was successful in securing ownership of a significant property within Chesterfield town centre and renovations to provide bespoke office space, consulting rooms, meeting rooms and relaxation spaces have now been completed offering further opportunities to extend potential services within this building. This is now a major asset in the future strategy for DRCS and we are negotiating the letting of one complete floor of Serenity House and are expecting this contract will begin in the 25/26 financial; the building's quality room hire service is also showing signs of interest and growth.

Derwent Rural Counselling Service

Trustees' Report (continued)

Structure, governance and management

Constitution

Derwent Rural Counselling Service was the successor of Derwent Rural Counselling Services Limited which was established in 1989. The year ending March 2010 was the first year DRCS operated as an incorporated charity, limited by guarantee.

The charity is governed by its Memorandum and Articles of Association which were amended in 2016 to enable the charity to work across a wider geographical area and include well-being services in its activities.

Method of appointment or election of trustees

The existing trustees have the power to appoint new trustees who are able and willing to fulfil the role. Trustees are encouraged to join the board of trustees on the basis of expertise and experience to ensure the optimum contribution to the current and future needs of the charity. The trustees seek to maintain a suitable balance of skills and interests among those serving on the board.

Each trustee holds office for three years from the date of appointment at the end of which they are eligible for re appointment for one or more further terms of three years each. One of the new committees established during 24-25 is the Trustee Recruitment Committee which submitted proposals to the Board of Trustees (BoT) relating to a new approach to the recruitment of trustees. These were accepted and produced the following outcomes:

- the creation of a new set of role profiles including specialist and general roles, setting out the responsibilities and expectations of board members.
- a skills and experience audit of existing trustees which was undertaken to identify the skills gaps might influence future appointments, thus enhancing the Board going forward.
- an Equality, Diversity and Inclusion (EDI) audit to understand the social composition of the board. The results of this will be known early in the next financial year and will also be used as a tool in future trustee appointments.

Policies adopted for the induction and training of trustees

Relationship-building with new trustees begins at the moment any individual expresses an interest becoming a member of the BoT. An encouraging face-to-face as well as virtual dialogue is initiated, an information pack is provided enabling questions to be posed, roles, responsibilities to be understood etc. If an individual chooses to progress their interest, then an application is made via the submission of a C.V. and covering letter, which triggers an interview process.

Once a trustee is appointed an invitation is issued to attend a half day induction programme with members of the recruitment committee which includes both existing trustees and senior staff members. The aim of the programme is to equip new trustees with the key elements of their role for example:

- scope of the role in terms of governance and legal responsibilities as articulated by The Charity Commission for England and Wales.
- governance processes relating to the function of the Board of Trustees.
- social skills relating to being a team player.
- the role of safeguarding in the work of the organisation.
- the induction programme also aims to inform new trustees about the history, aims, charitable objects of DRCS and significantly, its ethos as an organisation.

Pay policy for senior staff

When deciding pay levels for senior staff, trustees consider rates of pay for similar organisation, NHS banding rates and the benefits required to recruit and retain the most suitably qualified and capable staff.

Derwent Rural Counselling Service

Trustees' Report (continued)

Organisational structure and decision making

DRCS is governed by its Board of Trustees (BoT) which is responsible for setting the strategic direction of the organisation and its policy decisions. The BoT meets at least four times a year, undertakes additional informal meetings with the senior management team and delegates the day-to-day operation of the organisation to the senior management team.

The Chief Executive Officer (CEO) is responsible for delivery of the strategic direction of the charity including managing income streams, ensuring a positive work culture and to keep the board fully informed of the operations of the charity. They are also responsible for recommending changes and actions for improvement.

A full time Senior Operations Manager (SEO), reporting to the BoT, runs the service on a day-to-day basis. The Admin Team consists of various full and part time staff who are managed by the Deputy Operations Manager. Their role is to ensure that appointments are booked with patients seeking treatment, that qualified clinicians are available, and that a suitable treatment room is provided for the treatment. Admin staff are also responsible for meeting and greeting patients in order to ensure that the patient experience is totally supportive from the first to the last contact with the service.

Clinical Governance is provided by a Clinical Lead who has responsibility for all of the clinical protocols required and reports on clinical matters directly to the Board. Given the breadth and complexity of clinical governance there are also two Senior Clinicians who have specific responsibility for safeguarding, CPD of clinicians and CBT therapy.

Risk Management

A detailed risk register is reviewed annually or earlier if changes to risks are identified. Trustees and the Senior Management team have taken steps to mitigate risks to an acceptable level.

Fundraising Standards Information

The charity does not currently carry out major fundraising nor use a professional fundraiser to carry out fundraising activities. Given the new trajectory of the organisation during 24-25, fund raising ideas were re-visited in a review discussed in the Service Development Committee. It is hoped to translate these ideas into activity during 25-26.

Disclosure of information to auditor

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

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charitable company on 28/01/2026 and signed on its behalf by:

Max Biddulph

.....
Dr R M Biddulph
Trustee

Derwent Rural Counselling Service

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Derwent Rural Counselling Service 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Derwent Rural Counselling Service

Independent Auditor's Report to the Members of Derwent Rural Counselling Service

Opinion

We have audited the financial statements of Derwent Rural Counselling Service (the 'charitable company') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Derwent Rural Counselling Service

Independent Auditor's Report to the Members of Derwent Rural Counselling Service (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Derwent Rural Counselling Service

Independent Auditor's Report to the Members of Derwent Rural Counselling Service (continued)

The charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charitable company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006, Health and Safety regulations and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charitable company to obtain an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

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

Hawsons

.....
Simon Bladen (Senior Statutory Auditor)
For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
South Yorkshire
S10 2QD

Date: 28/01/2026
.....

Derwent Rural Counselling Service

Statement of Financial Activities

for the Year Ended 31 March 2025

	Note	Unrestricted 2025 £	Unrestricted 2024 £
Incoming resources			
Donations and legacies	2	8,784	3,948
Investment income	3	8,606	381
Charitable activities	4	<u>1,797,868</u>	<u>2,102,148</u>
Total incoming resources		<u>1,815,258</u>	<u>2,106,477</u>
Resources expended			
Charitable activities	5	<u>(1,571,252)</u>	<u>(1,892,316)</u>
Total expenditure		<u>(1,571,252)</u>	<u>(1,892,316)</u>
Net incoming resources		<u>244,006</u>	<u>214,161</u>
Net movement in funds		244,006	214,161
Reconciliation of funds			
Total funds brought forward		<u>1,784,891</u>	<u>1,570,730</u>
Total funds carried forward	18	<u><u>2,028,897</u></u>	<u><u>1,784,891</u></u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Derwent Rural Counselling Service

(Registration number: 06081874)

Balance Sheet

as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	10	1,479,193	1,461,818
Current assets			
Debtors	11	100,810	295,971
Investments	12	358,356	-
Cash at bank and in hand		511,591	596,408
		<u>970,757</u>	<u>892,379</u>
Creditors: Amounts falling due within one year	13	<u>(92,071)</u>	<u>(184,631)</u>
Net current assets		<u>878,686</u>	<u>707,748</u>
Total assets less current liabilities		2,357,879	2,169,566
Creditors: Amounts falling due after more than one year	14	<u>(328,982)</u>	<u>(384,675)</u>
Net assets		<u>2,028,897</u>	<u>1,784,891</u>
Charity funds			
Unrestricted income funds			
Unrestricted funds		<u>2,028,897</u>	<u>1,784,891</u>
Total charity funds	18	<u>2,028,897</u>	<u>1,784,891</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 15 to 26 were approved by the trustees, and authorised for issue on 28/01/2026 and signed on their behalf by:

Max Biddulph

.....
Dr R M Biddulph
Trustee

The notes on pages 18 to 26 form an integral part of these financial statements.

Derwent Rural Counselling Service

Statement of Cash Flows

for the Year Ended 31 March 2025

	2025 £	2024 £
Cash flows from operating activities		
Net income	244,006	214,161
Adjustments to cash flows from non-cash items		
Depreciation	36,280	32,686
Investment income	(8,606)	(381)
Interest payable	26,576	40,030
	<u>298,256</u>	<u>286,496</u>
Working capital adjustments		
Decrease/(increase) in debtors	195,161	(83,402)
(Decrease)/increase in creditors	(98,643)	67,747
Net cash flows from operating activities	<u>394,774</u>	<u>270,841</u>
Cash flows from investing activities		
Interest receivable and similar income	8,606	381
Purchase of tangible fixed assets	(53,655)	(691,066)
Amounts invested in deposit account	(358,356)	-
Net cash flows from investing activities	<u>(403,405)</u>	<u>(690,685)</u>
Cash flows from financing activities		
Interest payable and similar charges	(26,576)	(40,030)
Repayment of loans and borrowings	(49,610)	(38,168)
Net cash flows from financing activities	<u>(76,186)</u>	<u>(78,198)</u>
Net decrease in cash and cash equivalents	(84,817)	(498,042)
Cash and cash equivalents at 1 April	596,408	1,094,450
Cash and cash equivalents at 31 March	<u>511,591</u>	<u>596,408</u>

The notes on pages 18 to 26 form an integral part of these financial statements.

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025

1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material to the charitable company's affairs.

Statutory information

Derwent Rural Counselling Service is a company limited by guarantee (No. 06081874) and is a registered charity (No. 1124775) domiciled in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of its registered office is: Serenity House, New Beetwell Street, Chesterfield, Derbyshire, S40 1QR.

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) - (Charities SORP (FRS 102)), the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

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

Income recognition

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes direct costs and appropriate proportion of the support costs of the business.

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

1 Accounting policies (continued)

Taxation

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Buildings	2% straight line
Office equipment	10% straight line
Computer equipment	25% straight line

Current asset investments

Current asset investments are included at the lower of cost and net realisable value / market value.

Trade debtors

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

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

Cash and cash equivalents

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

Trade creditors

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

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

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

1 Accounting policies (continued)

Borrowings

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

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

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

Fund structure

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

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

Pensions and other post retirement obligations

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

2 Income from donations and legacies

	Unrestricted 2025 £	Unrestricted 2024 £
Client donations	<u>8,784</u>	<u>3,948</u>

3 Investment income

	Unrestricted 2025 £	Unrestricted 2024 £
Investment income	<u>8,606</u>	<u>381</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

4 Income from charitable activities

	Unrestricted 2025 £	Unrestricted 2024 £
Fees for counselling	1,757,831	2,053,253
Well-being fees	14,113	29,940
Supervision fees	2,940	4,560
Other income	22,984	14,395
	<u>1,797,868</u>	<u>2,102,148</u>

5 Expenditure on charitable activities

	2025 £	2024 £
Wages and salaries	602,935	743,284
Staff NIC	53,332	64,750
Staff pensions	27,775	34,357
Staff training	1,773	1,593
Staff welfare	5,403	6,859
Insurance	7,509	8,175
Premises expenses	97,617	103,721
Room hire	5,635	11,358
Telephone, internet and postage	44,136	48,553
Supervision	3,079	5,134
Computer software and maintenance costs	17,042	20,515
Printing and stationery	3,431	6,240
Subscriptions	9,539	8,553
Sundry expenses	13,526	7,745
Advertising	1,263	19
Auditors remuneration	8,178	12,288
Counsellors fees	556,279	680,903
Counsellors expenses	4,547	7,105
Recruitment	287	1,773
Legal and professional fees	44,263	45,735
Bank charges	847	940
Loan interest	26,576	40,030
Depreciation	36,280	32,686
	<u>1,571,252</u>	<u>1,892,316</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

6 Net incoming/outgoing resources

Net incoming resources for the year include:

	2025 £	2024 £
Operating leases - other assets	33,013	28,878
Auditor's remuneration	8,178	12,288
Depreciation of fixed assets	<u>36,280</u>	<u>32,686</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received or waived any remuneration from the charitable company during the year.

The amount of expenses claimed or waived by the trustees during the year totalled £Nil (2024 - £Nil).

8 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	602,935	743,284
Social security costs	53,332	64,750
Pension costs	<u>27,775</u>	<u>34,357</u>
	<u>684,042</u>	<u>842,391</u>

Wages and salaries include costs in respect of agency fees amounting to £Nil (2024 - £26,939).

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

	2025 No	2024 No
Therapists, supervisors and administration	<u>19</u>	<u>27</u>

19 (2024 - 27) of the above employees participated in the defined contribution pension scheme.

Contributions to the employee pension scheme for the year totalled £27,775 (2024 - £34,357).

The number of employees whose emoluments fell within the following bands was:

	2025 No	2024 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

8 Staff costs (continued)

The total employee benefits of the key management personnel of the charitable company were £203,951 (2024 - £188,702). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the Chief Executive Officer, the Clinical Lead and the Operations Manager.

9 Taxation

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

10 Tangible fixed assets

	Land and buildings £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2024	1,538,986	37,966	45,948	1,622,900
Additions	53,655	-	-	53,655
At 31 March 2025	1,592,641	37,966	45,948	1,676,555
Depreciation				
At 1 April 2024	96,351	37,860	26,871	161,082
Charge for the year	32,198	106	3,976	36,280
At 31 March 2025	128,549	37,966	30,847	197,362
Net book value				
At 31 March 2025	1,464,092	-	15,101	1,479,193
At 31 March 2024	1,442,635	106	19,077	1,461,818

11 Debtors

	2025 £	2024 £
Trade debtors	92,389	280,971
Other debtors	8,421	15,000
	100,810	295,971

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

12 Current asset investments

	2025 £
Cash equivalents on deposit	<u>358,356</u>

13 Creditors: amounts falling due within one year

	2025 £	2024 £
Bank loans - secured	54,681	48,598
Trade creditors	17,231	16,207
Other taxation and social security	8,259	15,609
Other creditors	<u>11,900</u>	<u>104,217</u>
	<u>92,071</u>	<u>184,631</u>

14 Creditors: amounts falling due after one year

	2025 £	2024 £
Bank loans - secured	<u>328,982</u>	<u>384,675</u>

Bank loans are secured by charges over the freehold land and buildings owned by the charity.

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

	2025 £	2024 £
After more than five years by instalments	<u>85,492</u>	<u>160,437</u>

15 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2025 £	2024 £
Land and buildings		
Within one year	1,000	17,513
Between one and five years	<u>-</u>	<u>18,647</u>
	<u>1,000</u>	<u>36,160</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

16 Pension and other schemes

Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company to the scheme and amounted to £27,775 (2024 - £34,357).

17 Contingent assets

There are no contingent assets or liabilities (2024: £nil).

18 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Balance at 31 March 2025 £
Unrestricted funds				
Unrestricted fund	<u>1,784,891</u>	<u>1,815,258</u>	<u>(1,571,252)</u>	<u>2,028,897</u>
Total funds	<u><u>1,784,891</u></u>	<u><u>1,815,258</u></u>	<u><u>(1,571,252)</u></u>	<u><u>2,028,897</u></u>

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
Unrestricted fund	1,320,730	2,106,477	(1,892,316)	250,000	1,784,891
Designated - future infrastructure development	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
Total funds	<u><u>1,570,730</u></u>	<u><u>2,106,477</u></u>	<u><u>(1,892,316)</u></u>	<u><u>-</u></u>	<u><u>1,784,891</u></u>

The designated funds were for fit out costs of new property and future infrastructure development.

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

19 Analysis of net assets between funds

	Unrestricted fund £	Designated £	Total funds at 31 March 2025 £
Tangible fixed assets	1,479,193	-	1,479,193
Debtors	100,810	-	100,810
Current asset investments	358,356	-	358,356
Cash at bank and in hand	511,591	-	511,591
Current liabilities	(92,071)	-	(92,071)
Creditors over 1 year	(328,982)	-	(328,982)
Total net assets	<u>2,028,897</u>	<u>-</u>	<u>2,028,897</u>

	Unrestricted fund £	Designated £	Total funds at 31 March 2024 £
Tangible fixed assets	1,461,818	-	1,461,818
Debtors	295,971	-	295,971
Cash at bank and in hand	596,408	-	596,408
Current liabilities	(184,631)	-	(184,631)
Creditors over 1 year	(384,675)	-	(384,675)
Total net assets	<u>1,784,891</u>	<u>-</u>	<u>1,784,891</u>

20 Related party transactions

During the year PR services were provided amounting to £Nil (2024: £7,642) by Agent PR Limited, a company in which Ms A Worsnip, a trustee of the charity, holds a significant shareholding.

Accounts

Company registration number: 06081874

Charity registration number: 1124775

Derwent Rural Counselling Service

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2024

Derwent Rural Counselling Service

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Derwent Rural Counselling Service

Trustees' Report

Reference and Administrative Details

The Trustees, (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Derwent Rural Counselling Service (the charity) for the year ended 31 March 2024. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Charity registration number: 1124775

Company Registration Number: 06081874

Trustees:

- Dr P L Askham
- Mr R M Biddulph
- Mr M R D Serby, Chair (resigned 10 April 2024)
- Mr M D Varnham (appointed 13 December 2023)
- Ms N J Adams (resigned 10 April 2024)
- Ms G Capewell (resigned 10 April 2024)
- Ms J Howlings (resigned 10 April 2024)
- Ms E T Muller (resigned 10 April 2024)
- Ms A J Worsnip (resigned 10 April 2024)

Senior Management Team:

- Ms J Smeeton, Chief Executive Officer
- Mr M Penman, Operations Manager
- Ms K Heappey, Clinical Lead

Registered Office:

- Serenity House
- New Beetwell Street
- Chesterfield
- S40 1QR

Auditor:

- Hawsons Chartered Accountants
- Statutory Auditor
- Pegasus House
- 463a Glossop Road
- Sheffield
- South Yorkshire
- S10 2QD

Derwent Rural Counselling Service

Trustees' Report (continued)

Bankers:

National Westminster Bank plc
1 Water Lane
Bakewell
DE45 1YY

CCLA - COIF
1 Angel Lane
London
EC4R 3AB

Derwent Rural Counselling Service

Trustees' Report (continued)

Derwent Rural Counselling Service (DRCS) is a charity that has been providing counselling and psychological therapy services across Derby and Derbyshire for the past 35 years. At the present time DRCS is operating as a Subcontractor for Talking Mental Health Derbyshire (TMHD) the Talking Therapy for Anxiety and Depression (TTAD) service of Derbyshire Health Care Foundation Trust (DHCFT). TMHD contracts with the Derby and Derbyshire Integrated Care Board (ICB).

Our foundation in 1989 was in response to the needs of the rural community in the High Peaks and Dales and the crisis of foot and mouth disease that devastated the farming community. Our purpose then was to support these communities through this crisis.

This report is presented by the Trustees of the charity, Derwent Rural Counselling Service (DRCS), who are also directors for the purposes of the Companies Act. Each year we present this annual report together with the audited financial statements for the year ended. This report covers the year ended 31 March 2024. We can confirm that the Annual Report and Financial Statements comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as 'small' under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

The charity's objectives are to promote the good mental health and wellbeing of any members of the public who are experiencing mental illness, however and wherever those problems or illnesses have arisen, through the use of counselling, therapeutic and preventative practices.

Activities for achieving these objectives include a variety of therapies including

- Low intensity Cognitive Behavioural therapy (CBT) Step 2
- Counselling
- Couples counselling
- Cognitive Behavioural therapy (CBT)
- Interpersonal psychotherapy (IPT)
- Guided self help
- Eye movement desensitisation & reprocessing (EMDR)
- Dynamic Interpersonal Therapy (DIT)
- Well-being workshops in schools and businesses for therapists and other professionals in a business or educational setting including Queen Elizabeth Grammar School.
- Working as a subcontractor to Talking Mental Health Derbyshire (TMHD).

Strategies for achieving these objectives

Strategies are based on a commitment to provide professional confidential and empathetic therapy to anyone who asks which is essential given the increasing demand of the impact of Mental Health concerns affecting 1 in 4 adults and 1 in 10 children every year.

We have a team of highly qualified and experienced accredited therapists ready to help any individual, regarding themselves personally, or if they are worried about a friend, colleague or loved one. We help individuals decide on the right choice of therapy and offer professional advice.

We help support businesses, schools and other educational establishments through our programme of preventative workshops. These focus on early identification of Mental Health difficulties amongst staff or students and overcoming stigma. A culture of wellbeing in the work place or learning environment is proven to have a positive impact on productivity and performance.

Derwent Rural Counselling Service

Trustees' Report (continued)

The charity uses a number of key performance measurements to assess success in delivering our objectives and activities. These are:

- Recovery rates (meaningful recovery, step 2 recovery, step 3 recovery and overall recovery)
- Number of clients awaiting treatment
- Number of days clients await treatment
- Financial results against forecast results
- CQUIN achievements

These performance indicators are measured against our own targets, regional targets and national targets.

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. This is referred to in the achievements and performance section of this report.

Achievements and Performance

Review of Activities

Meeting demand

The demand for our service continues to grow and our achievements and challenges are listed below:

- The number of completed episodes of treatment provided by DRCS in 2023/24 was 3,744.
- The overall recovery rate achieved for 2023/24 was 58% against a national target of 50%: 2023: 56.2% (2022: 61%; 2021: 62.1%; 2020: 57.4%; 2019: 57%; 2018: 58.9%) against a national target of 50% (NHS England guidelines) and an actual national average of 49.8%.
- Continued to deliver our DRCS psychological therapy service despite economic pressures for clients. Income from these activities has dropped substantially in recent years.
- In the year 2023/24 of the 3,744 completed episodes of care - 393 were at Step 2 and 3,381 at Step 3.
- In the year 2023/24 418 clients were either stepped up to a higher-level NHS service or decided not to opt into treatment.
- Continue to offer a variety of ways to access appointments: face to face, online video platform or telephone. Preference for face to face delivery has continued to grow and now accounts for 70% of our service delivery.
- Client feedback through the Patient Experience Questionnaire has remained positive with just over 98% saying they would recommend DRCS to friends and family.
- We have increased the size of the team of counsellors to 60.

Waiting times

- Waiting times are getting longer partly due to the level of complexity some clients are presenting with which means they stay in service for longer periods of time. We have also seen an increase in the volume of referrals.
- In the year 2023/24 8.8% of all clients were seen within 28 days (first treatment appointment).
- Increased waiting times are due to pressures on the NHS. Some of this is due to problems that were began or were exacerbated by Covid.

Derwent Rural Counselling Service

Trustees' Report (continued)

Status

- DRCS, in conjunction with Derbyshire Health Care Foundation Trust (DHcFT), continued its status as A Qualified Provider (AQP) of TTAD (formerly IAPT) services in Derbyshire. There are only four TTAD providers in Derbyshire.
- Derbyshire adult TTAD contract has been extended until June 2025.
- Current BACP Accreditation also provided a positive glowing report in recognition of outstanding performance
- Continue to maintain our popular charitable therapy service although children services are currently paused. Adult services have attracted enquiries from outside of Derbyshire.
- Continue to provide professional supervision into schools.
- Continue to provide mental health well-being work in schools face to face.

Contracts

- Royal Chesterfield Hospital - Well Being Service for NHS Front Line Hospital Staff. Year contract ended at the end of March 23. We then ran a smaller service for specific teams within the hospital for the support of NHS front line staff.
- Queen Elizabeth Grammar School in Ashbourne. Contract continued for the provision of a school counsellor 1 day per week.

Partnerships

DRCS' works with primary and secondary schools on an ad-hoc basis.

DRCS continues to work with DDDC and the Peak District National Park Authority offering well-being programmes to its employees.

The under 18 service has been paused from March 2023.

Recruitment and staffing

- Up to March 2024 DRCS has 23 employees on the payroll. We also had self-employed agreements with 45 counsellors/therapists.
- HR Management platform, a company sick pay scheme, and an additional benefits package with Perkbox all maintained.
- Two apprentice business administrators positions currently supported.
- Continued to put forward candidates into the specialist IAPT NICE recommended modalities training.
- Submitted candidates to IAPT supervision training.
- Continued our pre-accreditation opportunity for counsellors with aim of BACP or equivalent accreditation within 6 months to drive professional standards.
- One new trustee joined the board in December 2023 - Matthew Varnham.

Infrastructure

Our portfolio of owned and leased properties (Belper, Alfreton, Derby, Chesterfield, Long Eaton, Bakewell) underwent regular maintenance.

The new Bakewell Hub has moved to Alderney House at the Peak Park office.

DRCS purchased the former Register Office in Chesterfield and has refurbished the building which was officially opened in September 2023 as a DRCS base, with opportunities for revenue generation from sub-letting/leasing space. The Chesterfield building has been renamed Serenity House.

Derwent Rural Counselling Service

Trustees' Report (continued)

Profiling

DRCS is now coherently profiling its capabilities, activities and expertise to attract greater awareness. A consistency of messages with regular timetabling means the charity is managing its reputation through tailored and targeted social media and marketing, reinforcing the direction of the board and management team's strategy. The continued aim is to position DRCS as the first choice for all those who require support and help with their mental health, show commitment to the sector and to increase public relations. The website content is regularly updated.

Financial Review

Income for the year was £2,106,477 (2023: £2,126,308).

Expenditure for the year was £1,892,316 (2023: £2,060,290).

The Charity's net income was £1,784,891 (2023: £1,320,730).

Principal risks and uncertainties

This has been a further challenging year in particular due to changes in the current TTAD contract. The charity is exposed due to reliance on this one major source of income

Competition from other providers operating in the same arena. There are a number of other organisations who deliver the same or similar services to DRCS in locations the charity currently operates in. These organisations could also tender for the same contracts as DRCS as and when these come up for renewal. To mitigate against this risk the charity monitors performance and quality of services and has developed a marketing strategy to promote the profile of the charity.

Reserves Policy

The reserves policy is under constant review, setting a target level of reserves which is fit for purpose. The volume of activities has increased to pre pandemic levels. The charity requires enough funds in reserves to cover general expenditure in case of funding short-fall as well as a funds to cover future lease commitments and a sufficient amount for investment and development of the charity's services and infrastructure.

At the year-end free reserves not tied up in fixed assets and excluding bank loans secured on property were £756,346.

The target level of reserves of around £695,000 accounts for three months of overall costs taking into consideration inflation and future lease commitments.

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Plans for future periods

Future developments

DRCS is continuing with its strategy of growth. It is still the long-term strategy to develop the charity into a centre of excellence for providing psychological services and a preferred employer.

In 2022 the charity was successful in securing ownership of a significant property within Chesterfield town centre and renovations to provide bespoke office space, consulting rooms, meeting rooms and relaxation spaces have now been completed offering further opportunities to extend potential services within this building.

Derwent Rural Counselling Service

Trustees' Report (continued)

Structure, governance and management

Constitution

Derwent Rural Counselling Service was the successor of Derwent Rural Counselling Services Limited which was established in 1989. The year ending March 2010 was the first year DRCS operated as an incorporated charity, limited by guarantee.

The charity is governed by its Memorandum and Articles of Association which were amended in 2016 to enable the charity to work across a wider geographical area and include well-being services in its activities.

Method of appointment or election of trustees

The existing trustees have the power to appoint new trustees who are able and willing to fulfil the role. Trustees are encouraged to join the board of trustees on the basis of expertise and experience to ensure the optimum contribution to the current and future needs of the charity. The trustees seek to maintain a suitable balance of skills and interests among those serving on the board.

Each trustee holds office for three years from the date of appointment at the end of which they are eligible for re appointment for one or more further terms of three years each.

Policies adopted for the induction and training of trustees

Once a trustee is recruited an induction procedure is followed using an induction pack which includes a written copy of the Articles of Association and an introductory meeting with staff and a current trustee. Trustees are encouraged to take an ongoing active interest in the work of the charity and apply their skills to benefit the charity.

Pay policy for senior staff

When deciding pay levels for senior staff, trustees consider rates of pay for similar organisation, NHS banding rates and the benefits required to recruit and retain the most suitably qualified and capable staff.

Organisational structure and decision making

DRCS is governed by its Trustee Board which is responsible for setting the strategic direction of the organisation and its policy decisions. The Board meets at least four times a year, undertakes additional informal meetings with the senior management team and delegates the day-to-day operation of the organisation to the senior management team.

The Chief Executive Officer (CEO) is responsible for delivery of the strategic direction of the charity including managing income streams, ensuring a positive work culture and to keep the board fully informed of the operations of the charity. They are also responsible for recommending changes and actions for improvement.

A full time Senior Operations Manager (SOM), answerable to the Board, runs the service on a day-to-day basis. The Admin Team consists of various full and part time staff who are managed by the Deputy Operations Manager. Their role is to ensure that appointments are booked with patients seeking treatment, that qualified clinicians are available, and that a suitable treatment room is provided for the treatment. Admin staff are also responsible for meeting and greeting patients in order to ensure that the patient experience is totally supportive from the first to the last contact with the service.

Derwent Rural Counselling Service

Trustees' Report (continued)

Clinical Governance is provided by a Clinical Lead who has responsibility for all of the clinical protocols required and reports on clinical matters directly to the Board. Given the breadth and complexity of clinical governance there are also two Senior Clinicians who have specific responsibility for safeguarding, CPD of clinicians and CBT therapy.

A number of Clinical Supervisors have been trained and appointed to provide one to one and group supervision to clinicians which is also a mandatory professional requirement for maintaining accreditation and ethical standards.

Risk Management

A detailed risk register is reviewed annually or earlier if changes to risks are identified. Trustees and the Senior Management team have taken steps to mitigate risks to an acceptable level.

Fundraising Standards Information

The charity does not currently carry out major fundraising nor use a professional fundraiser to carry out fundraising activities. It is our aim to undertake a review of this in 2024/25.

Disclosure of information to auditor

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

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charitable company on^{17/12/2024} and signed on its behalf by:



.....
Dr P L Askham
Trustee

Derwent Rural Counselling Service

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Derwent Rural Counselling Service 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The report and accounts have been prepared in accordance with the provisions in the Companies Act 2006 relating to small companies.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Derwent Rural Counselling Service

Independent Auditor's Report to the Members of Derwent Rural Counselling Service

Opinion

We have audited the financial statements of Derwent Rural Counselling Service (the 'charitable company') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Derwent Rural Counselling Service

Independent Auditor's Report to the Members of Derwent Rural Counselling Service (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Derwent Rural Counselling Service

Independent Auditor's Report to the Members of Derwent Rural Counselling Service (continued)

The charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charitable company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006, Health and Safety regulations and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charitable company to obtain an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

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

Hawsons

Simon Bladen (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
South Yorkshire
S10 2QD

Date: 17/12/2024

Derwent Rural Counselling Service

Statement of Financial Activities

for the Year Ended 31 March 2024

	Note	Unrestricted 2024 £	Unrestricted 2023 £
Incoming resources			
Donations and legacies	2	3,948	11,796
Investment income	3	381	136
Charitable activities	4	<u>2,102,148</u>	<u>2,114,376</u>
Total incoming resources		<u>2,106,477</u>	<u>2,126,308</u>
Resources expended			
Charitable activities	5	<u>(1,892,316)</u>	<u>(2,060,290)</u>
Total expenditure		<u>(1,892,316)</u>	<u>(2,060,290)</u>
Net incoming resources		<u>214,161</u>	<u>66,018</u>
Net movement in funds		214,161	66,018
Reconciliation of funds			
Total funds brought forward		<u>1,570,730</u>	<u>1,504,712</u>
Total funds carried forward	17	<u><u>1,784,891</u></u>	<u><u>1,570,730</u></u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Derwent Rural Counselling Service

(Registration number: 06081874)

Balance Sheet

as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	1,461,818	803,438
Current assets			
Debtors	11	295,971	212,569
Cash at bank and in hand		<u>596,408</u>	<u>1,094,450</u>
		892,379	1,307,019
Creditors: Amounts falling due within one year	12	<u>(184,631)</u>	<u>(118,516)</u>
Net current assets		<u>707,748</u>	<u>1,188,503</u>
Total assets less current liabilities		2,169,566	1,991,941
Creditors: Amounts falling due after more than one year	13	<u>(384,675)</u>	<u>(421,211)</u>
Net assets		<u>1,784,891</u>	<u>1,570,730</u>
Charity funds			
Unrestricted income funds			
Unrestricted funds		1,784,891	1,320,730
Designated funds		<u>-</u>	<u>250,000</u>
Total unrestricted funds		<u>1,784,891</u>	<u>1,570,730</u>
Total charity funds	17	<u>1,784,891</u>	<u>1,570,730</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 13 to 24 were approved by the trustees, and authorised for issue on 17/12/2024 and signed on their behalf by:



.....
Dr P L Askham
Trustee

The notes on pages 16 to 24 form an integral part of these financial statements.

Derwent Rural Counselling Service

Statement of Cash Flows

for the Year Ended 31 March 2024

	2024 £	2023 £
Cash flows from operating activities		
Net income	214,161	66,018
Adjustments to cash flows from non-cash items		
Depreciation	32,686	16,416
Investment income	(381)	(136)
Interest payable	40,030	19,338
Profit on disposal of tangible fixed assets	-	(81,582)
	<u>286,496</u>	<u>20,054</u>
Working capital adjustments		
Increase in debtors	(83,402)	(48)
Increase in creditors	<u>67,747</u>	<u>11,589</u>
Net cash flows from operating activities	<u>270,841</u>	<u>31,595</u>
Cash flows from investing activities		
Interest receivable and similar income	381	136
Purchase of tangible fixed assets	(691,066)	(43,211)
Sale of tangible fixed assets	-	231,582
Net cash flows from investing activities	<u>(690,685)</u>	<u>188,507</u>
Cash flows from financing activities		
Interest payable and similar charges	(40,030)	(19,338)
Repayment of loans and borrowings	<u>(38,168)</u>	<u>(53,423)</u>
Net cash flows from financing activities	<u>(78,198)</u>	<u>(72,761)</u>
Net (decrease)/increase in cash and cash equivalents	(498,042)	147,341
Cash and cash equivalents at 1 April	<u>1,094,450</u>	<u>947,109</u>
Cash and cash equivalents at 31 March	<u><u>596,408</u></u>	<u><u>1,094,450</u></u>

The notes on pages 16 to 24 form an integral part of these financial statements.

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material to the charitable company's affairs.

Statutory information

Derwent Rural Counselling Service is a company limited by guarantee (No. 06081874) and is a registered charity (No. 1124775) domiciled in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of its registered office is: Serenity House, New Beetwell Street, Chesterfield, Derbyshire, S40 1QR.

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102))- (Charities SORP (FRS 102)), the Charities Act 2011, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

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

Going concern

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

Income recognition

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes direct costs and appropriate proportion of the support costs of the business.

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

1 Accounting policies (continued)

Taxation

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

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Buildings	2% straight line
Office equipment	10% straight line
Computer equipment	25% straight line

Trade debtors

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

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

Cash and cash equivalents

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

Trade creditors

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

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

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

1 Accounting policies (continued)

Borrowings

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

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

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

Fund structure

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

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

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

2 Income from donations and legacies

	Unrestricted 2024 £	Unrestricted 2023 £
Client donations	<u>3,948</u>	<u>11,796</u>

3 Investment income

	Unrestricted 2024 £	Unrestricted 2023 £
Investment income	<u>381</u>	<u>136</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

4 Income from charitable activities

	Unrestricted 2024 £	Unrestricted 2023 £
Fees for counselling	2,053,253	2,047,189
Well-being fees	29,940	57,239
Supervision fees	4,560	4,050
Other income	14,395	5,898
	<u>2,102,148</u>	<u>2,114,376</u>

5 Expenditure on charitable activities

	2024 £	2023 £
Wages and salaries	743,284	1,073,941
Staff NIC	64,750	99,207
Staff pensions	34,357	49,605
Staff training	1,593	2,977
Staff welfare	6,859	7,545
Insurance	8,175	9,288
Premises expenses	103,721	94,102
Room hire	11,358	23,509
Telephone, internet and postage	48,553	38,607
Supervision	5,134	3,737
Computer software and maintenance costs	20,515	15,850
Printing and stationery	6,240	2,147
Subscriptions	8,553	6,994
Sundry expenses	7,745	8,168
Advertising	19	543
Auditors remuneration	12,288	8,280
Counsellors fees	680,903	557,210
Counsellors expenses	7,105	21,292
Recruitment	1,773	915
Legal and professional fees	45,735	40,501
Bank charges	940	909
Loan interest	40,030	19,338
Depreciation	32,686	16,416
(Profit)/loss on sale of tangible fixed assets held for charity's own use	-	(40,791)
	<u>1,892,316</u>	<u>2,060,290</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

6 Net incoming/outgoing resources

Net incoming resources for the year include:

	2024 £	2023 £
Operating leases - other assets	28,878	47,500
Auditor's remuneration	12,288	8,280
Profit on disposal of tangible fixed assets	-	(40,791)
Depreciation of fixed assets	<u>32,686</u>	<u>16,416</u>

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received or waived any remuneration from the charitable company during the year.

The amount of expenses claimed or waived by the trustees during the year totalled £Nil (2023 - £Nil).

8 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	743,284	1,073,941
Social security costs	64,750	99,207
Pension costs	<u>34,357</u>	<u>49,605</u>
	<u>842,391</u>	<u>1,222,753</u>

Wages and salaries include costs in respect of agency fees amounting to £26,939 (2023 - £nil).

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

	2024 No	2023 No
Therapists, supervisors and administration	<u>27</u>	<u>41</u>

27 (2023 - 41) of the above employees participated in the defined contribution pension scheme.

Contributions to the employee pension scheme for the year totalled £34,357 (2023 - £49,605).

The number of employees whose emoluments fell within the following bands was:

	2024 No	2023 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

8 Staff costs (continued)

The total employee benefits of the key management personnel of the charitable company were £188,702 (2023 - £190,979). The key management personnel of the charity comprise the trustees and the Senior Management Team, which at the year end comprises the Chief Executive Officer, the Clinical Lead and the Operations Manager.

9 Taxation

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

10 Tangible fixed assets

	Land and buildings £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2023	847,920	37,966	45,948	931,834
Additions	691,066	-	-	691,066
At 31 March 2024	<u>1,538,986</u>	<u>37,966</u>	<u>45,948</u>	<u>1,622,900</u>
Depreciation				
At 1 April 2023	71,028	34,588	22,780	128,396
Charge for the year	25,323	3,272	4,091	32,686
At 31 March 2024	<u>96,351</u>	<u>37,860</u>	<u>26,871</u>	<u>161,082</u>
Net book value				
At 31 March 2024	<u>1,442,635</u>	<u>106</u>	<u>19,077</u>	<u>1,461,818</u>
At 31 March 2023	<u>776,892</u>	<u>3,378</u>	<u>23,168</u>	<u>803,438</u>

11 Debtors

	2024 £	2023 £
Trade debtors	280,971	198,216
Other debtors	15,000	14,353
	<u>295,971</u>	<u>212,569</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Bank loans - secured	48,598	50,230
Trade creditors	16,207	33,229
Other taxation and social security	15,609	23,512
Other creditors	104,217	11,545
	<u>184,631</u>	<u>118,516</u>

13 Creditors: amounts falling due after one year

	2024 £	2023 £
Bank loans - secured	<u>384,675</u>	<u>421,211</u>

Bank loans are secured by charges over the freehold land and buildings owned by the charity.

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

	2024 £	2023 £
After more than five years by instalments	<u>160,437</u>	<u>206,294</u>

14 Obligations under leases and hire purchase contracts

Operating lease commitments

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

	2024 £	2023 £
Land and buildings		
Within one year	17,513	37,167
Between one and five years	18,647	5,333
	<u>36,160</u>	<u>42,500</u>

15 Pension and other schemes

Defined contribution pension scheme

The charitable company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charitable company to the scheme and amounted to £34,357 (2023 - £49,605).

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

16 Contingent assets

There are no contingent assets or liabilities (2023: £nil).

17 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
Unrestricted fund	1,320,730	2,106,477	(1,892,316)	250,000	1,784,891
Designated - future infrastructure development	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
Total funds	<u>1,570,730</u>	<u>2,106,477</u>	<u>(1,892,316)</u>	<u>-</u>	<u>1,784,891</u>

The designated funds are for fit out costs of new property and future infrastructure development.

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
Unrestricted fund	1,204,712	2,126,308	(2,060,290)	50,000	1,320,730
Designated - future infrastructure development	250,000	-	-	-	250,000
Designated - CYP Clinicians	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Total funds	<u>1,504,712</u>	<u>2,126,308</u>	<u>(2,060,290)</u>	<u>-</u>	<u>1,570,730</u>

Derwent Rural Counselling Service

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

18 Analysis of net assets between funds

	Unrestricted fund £	Designated £	Total funds at 31 March 2024 £
Tangible fixed assets	1,461,818	-	1,461,818
Debtors	295,971	-	295,971
Cash at bank and in hand	596,408	-	596,408
Current liabilities	(184,631)	-	(184,631)
Creditors over 1 year	(384,675)	-	(384,675)
Total net assets	<u>1,784,891</u>	<u>-</u>	<u>1,784,891</u>

	Unrestricted fund £	Designated £	Total funds at 31 March 2023 £
Tangible fixed assets	803,438	-	803,438
Debtors	212,569	-	212,569
Cash at bank and in hand	844,450	250,000	1,094,450
Current liabilities	(118,516)	-	(118,516)
Creditors over 1 year	(421,211)	-	(421,211)
Total net assets	<u>1,320,730</u>	<u>250,000</u>	<u>1,570,730</u>

19 Related party transactions

During the year PR services were provided amounting to £7,642 (2023: £7,920) by Agent PR Limited, a company in which Ms A Worsnip, a trustee of the charity, holds a significant shareholding.

Accounts

Charity number: 1124775
Company number: 6081874

Derwent Rural Counselling Service
(Limited by Guarantee)

Reports and Financial Statements

For the Year Ended 31 March 2023

Derwent Rural Counselling Service
Annual Report and Financial Statements
For the Year Ended 31 March 2023

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Derwent Rural Counselling Service

Reference and Administration Details of the Charity, its Trustees and Advisers

For the Year Ended 31 March 2023

Trustees	Mr M Serby (Chair)	
	Miss A Worsnip (Vice-chair)	
	Ms N Adams	
	Dr P Askham	
	Mrs E Muller	
	Mr RM Biddulph	
	Mrs J Howlings	Appointed 13/04/2022
	Mrs G Capewell	Appointed 13/04/2022
Charity number	1124775	
Company number	6081874	
Registered office	Newholme Hospital Baslow Road Bakewell Derbyshire DE45 1AD	
Senior management team	Mrs J Smeeton (Chief Executive Officer) Mr M Penman (Operations Manager) Mrs K Heappey (Clinical Lead)	
Auditor	Hawsons Chartered Accountants Statutory Auditors Pegasus House 463a Glossop Road Sheffield S10 2QD	
Bankers	Natwest 1 Water Lane Bakewell DE45 1YY	
	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET	

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

The Trustees, (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Derwent Rural Counselling Service (the charity) for the year ended 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

Objectives and activities

The charity's objectives are to promote the good mental health and wellbeing of any members of the public who are experiencing mental illness, however and wherever those problems or illnesses have arisen, through the use of counselling, therapeutic and preventative practices.

Activities for achieving objectives

DRCS offers a variety of therapies including:

- Counselling
- Couples counselling
- Cognitive behavioural therapy (CBT)
- Interpersonal psychotherapy (IPT)
- Guided self help
- Eye movement desensitisation & reprocessing (EMDR)

We also offer well-being workshops in schools and businesses and supervision for therapists and other professionals in a business or educational setting.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

Strategies for achieving objectives

DRCS is a charity committed to providing professional, confidential and empathetic therapy to anyone who asks. Mental Health concerns impact 1 in 4 adults and 1 in 10 children every year, therefore access to effective care and methods of prevention are essential.

We have a team of highly qualified and experienced therapists ready to help any individual, whether it be regarding themselves personally, or if they are worried about a friend, colleague or loved one. We help individuals decide on the right choice of therapy and offer professional advice.

We help support businesses, schools and other educational establishments through our programme of preventative workshops. These focus on early identification of Mental Health difficulties amongst staff or students and overcoming stigma. A culture of well-being in the work place or learning environment is proven to have a positive impact on productivity and performance.

Key performance indicators

The charity uses a number of key performance measurements to assess success in delivering our objectives and activities. These are:

- Recovery rates (meaningful recovery, step 2 recovery, step 3 recovery and overall recovery)
- Number of clients awaiting treatment
- Number of days clients await treatment
- Financial results against forecast results
- CQUIN achievements

These performance indicators are measured against our own targets, regional targets and national targets.

Public benefit

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. More details on how the charity delivers public benefit can be found in the achievements and performance section of this report.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

Achievements and Performance

Review of activities

Meeting demand

The demand for our service continues to grow and our achievements and challenges are listed below:

- Since the start of the pandemic we have built our effectiveness of client work using a hybrid approach meaning a combination of engaging with our clients via telephone, video and face to face. By the end of the financial year all employees were working 2 days in the office, 3 at home and self employed 1-2 days in office in line with NHS protocol.
- The number of completed episodes of treatment provided by DRCS in 2022/23 was 3394; (2021/22: 3398; 2020/21: 3159; 2019/20: 4267; 2018/19: 4011; 2017/2018: 3,592; 2016/17: 2,555).
- The overall recovery rate achieved for 2023: 56.2% (2022: 61%; 2021: 62.1%; 2020: 57.4%; 2019: 57%; 2018: 58.9%) against a national target of 50% (NHS England guidelines) and an actual national average of 51%.
- Continued to deliver our DRCS donation service despite economic pressures for clients. Income from these activities/donations received dropped substantially.
- Of the 3,394 completed episodes of care – 442 from Step 2 required low intensity and 2,952 required high intensity treatment.
- 365 people engaged with DRCS and were either stepped up to a higher level NHS service or decided not to opt into treatment.
- Offered face to face alternatives due to COVID-19 through online and phone appointments. Limited amount of face to face appointments have been delivered, when clinical need has excluded remote options. A huge effort to return this aspect of service delivery, with hybrid working for clinicians and admin pointing towards a continued return to the office post Covid has been made.
- As demand for the service has begun to normalise, client feedback through the Patient Experience Questionnaire has remained positive with just over 98% saying they would recommend DRCS to friends and family.

Waiting times

- Waiting time exiting 2022/23: 13% were seen within 28 days (first treatment appointment); (2021/22 – 44.3%; 2020/21 – 57.3%; 2019/20 – 50%).
- This was due to pressures on the NHS and its services post Covid.

Status

- DRCS, in conjunction with Derbyshire Health Care Foundation Trust (DHcFT), continued its status as A Qualified Provider (AQP) of IAPT services in Derbyshire. There are only four IAPT providers in Derbyshire.
- Derbyshire adult IAPT contract – continues until March 2024.
- Current BACP Accreditation.
- Continue to maintain our popular donation therapy service which includes children and adults and attracted enquiries from outside of Derbyshire.
- Continue to provide professional supervision into schools.
- Continue to provide mental health well-being work in schools online.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

Contracts won

- Royal Chesterfield Hospital - Well Being Service for NHS Front Line Hospital Staff. Year contract ended at the end of March 23. Now running a smaller service for specific teams within the hospital.
- Queen Elizabeth Grammar School in Ashbourne. Contract won for the provision of a school counsellor 1 day per week.

Partnerships

DRCS' works with primary and secondary schools on an ad-hoc basis. Seen an increased number of children and young people referrals from GP surgeries, CAMHS and schools not covered by commissioned NHS service.

DRCS continued to work with DDDC and the Peak District National Park Authority offering well-being programme to its employees.

Chosen as charity of the year by Breeze Corporate Finance which handed over a generous donation of £7,606 to DRCS.

Recruitment and staffing

- Up to March 2023, we had 40 employees on the payroll. We also had self-employed agreements with 43 counsellors/therapists.
- HR Management platform, a company sick pay scheme, and an additional benefits package with Perkbox all maintained.
- Up to March 2023, seven IAPT NHS funded training positions supported the long term delivery strategy of increasing access to IAPT services.
- Two apprentice business administrators positions currently supported.
- Continued to put forward candidates into the specialist IAPT NICE recommended modalities training.
- Submitted candidates to IAPT supervision training.
- Continued our pre-accreditation opportunity for counsellors with aim of BACP accreditation within 6 months to drive professional standards.
- Ongoing funding for IPD qualification for an employee.
- Two new trustees joined the board – Glynis Capewell and Jill Howlings.

Infrastructure

Our portfolio of owned and leased properties (Belper, Alfreton, Derby, Chesterfield, Bakewell) underwent regular maintenance. We await confirmation of the opening of the new Bakewell Hub for January 2024.

The lease on the Ilkeston office was surrendered following impact of Covid. Introduction of Long Eaton leased premises to meet demand of the Erewash population.

DRCS purchased the former Registry Office in Chesterfield and has refurbished the building which was officially opened in September 2023 as a DRCS base, with opportunities for revenue generation from sub-letting/leasing space.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

Profiling

DRCS is now coherently profiling its capabilities, activities and expertise to attract greater awareness. A consistency of messages with regular timetabling means the charity is managing its reputation through tailored and targeted social media and marketing, reinforcing the direction of the board and management team's strategy. The continued aim is to position DRCS as the first choice for all those who require support and help with their mental health, show commitment to the sector and to increase public relations.

New website content, including new recruitment section, written.

Financial Review

Financial performance and position

Income for the year was £2,126,308 (2022: £2,015,929) and expenditure was £2,060,290 (2022: £2,051,122) giving net income of £66,018 (2022: net expenditure of £35,193).

Designated funds - £50,000 of salaries were spent on young people counselling during the year.

Activities during the previous year were still being impacted by the Covid-19 pandemic and the road to recovery. In the current year services returned back to normality but some working practices established during the pandemic were maintained i.e. virtual delivery of counselling. We are still seeing an increase in the number of people needing support due to the long term impact of the pandemic and this is still expected to continue into the future albeit at a lower level. There was an increase in demand for our services throughout the year which increased the amount of IAPT fee income.

In the year a property on Chesterfield Beetwell Street was sold, net of fees, for £190,791 and these proceeds have been reinvested in the renovation of the main building on the site. The renovations on the main building commenced in February 2023 and completed in August 2023.

At the year end total funds were £1,570,730 (2022: £1,504,712) which were all unrestricted. Within unrestricted funds are designated funds of £250,000 (2022: £250,000) towards the renovation costs of the Chesterfield Beetwell Street property and £Nil (2022: £50,000) towards young persons counselling.

Principal risks and uncertainties

During the year the Trustees have considered and identified the major risks to which the charity is exposed and in so doing the means for mitigating the risks. The main causes for concern are:

- The financial risk of the NHS IAPT contract. The charity is exposed due to reliance on one major source of income. However, steps have been taken to diversify income streams such as well-being programmes and delivery of external supervision. Although the risk exists, due to the national focus on tackling mental health issues and improving access to psychological therapies the charity does not believe funding will suddenly cease.
- Staffing recruitment and retention. There is a shortage of qualified therapists and PWP's nationally especially CBT therapists. DRCS has developed a process of recruitment for trainee PWP's and support them through their academic programme. We continue to work hard to create the conditions to ensure that DRCS becomes the "employer of choice" for counsellors and therapists. We have also invested in the organisational structure and salary levels to ensure staff are in the correct roles and are remunerated appropriately for their responsibilities and performance.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

- Competition from other providers operating in the same arena. There are a number of other organisations who deliver the same and/or similar services to DRCS in the locations the charity currently operates in. These organisations could also tender for the same contracts as DRCS when they come up for renewal. To mitigate against this risk the charity monitors performance and quality of services and has developed a marketing strategy to promote the profile of the charity.

Reserves policy

During the previous financial year Trustees undertook a review of the charity's reserves policy and calculated a target level of reserves which is fit for purpose. We continue to see growth in demand for services which continues to be a catalyst for growth in the organisation. The charity requires enough funds in reserves to cover general expenditure in case of a short-fall in funding, funds to cover future lease commitments and a sufficient amount for investment and development of the charity's services and infrastructure.

At the year-end free reserves not tied up in fixed assets and excluding bank loans secured on property were £988,733 (2022: £802,933) after designating funds of £250,000 (2022: £300,000). The target level of reserves of around £695,000 accounts for three months general unrestricted expenditure, taking into consideration inflation, and future lease commitments.

As the charity has taken on new commitments after the year end for the running costs of the new Chesterfield property Trustees consider it prudent to carry excess reserves and will revisit the reserves target in the 2023/2024 financial year.

Investment policy

Where possible the Trustees will consider, in areas of high need for services, the purchase of new properties via mortgage financing and a cash deposit, providing we are assured that the property will earn the cost of the mortgage re-payments.

As free reserves are currently above the required levels, and there are strategic plans in place to expand services and operational locations, Trustees do not consider it appropriate to invest surplus cash balances in fixed term deposits, nor use funds to make one off lump sum repayments on current mortgages.

Cash balances need to be available for Trustees' to act timely to any sector developments and opportunities which arise.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

Going concern

After making the appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Plans for future periods

Future developments

DRCS is continuing with its strategy of growth. It is still the long term strategy to develop the charity into a centre of excellence for providing psychological services and a preferred employer.

During the year previous year the charity was successful in securing ownership of a significant property within Chesterfield town centre and renovations commenced on the building to create bespoke office space, consulting rooms, meeting rooms and relaxation spaces to help cope with an increased demand for our services in the area plus other tenanted options. This is an exciting project and another step in implementing the board's strategy for growth.

We will also continue to invest in the organisational structure of the charity to ensure it continues to meet operational requirements.

Structure, governance and management

Constitution

Derwent Rural Counselling Service (DRCS) was the successor of Derwent Rural Counselling Services Limited which was established in 1989. The year ending March 2010 was the first year DRCS operated as incorporated charity, limited by guarantee.

The charity is governed by its Memorandum and Articles of Association which were amended on 29 April 2016 to enable the charity to work across a wider geographical area and include well-being services in its activities.

Method of appointment or election of trustees

The existing trustees have the power to appoint new trustees who are able and willing to fulfil the role. Trustees are encouraged to join the board of DRCS on the basis of the expertise and experience in order to ensure the optimum contribution to the current and future needs of the Charity. The trustees seek to maintain a suitable balance of skills and interests amongst those serving on the board.

Each trustee holds office for three years from the date of appointment at the end of which they are eligible for re appointment for one or more further terms of three years each.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

Policies adopted for the induction and training of trustees

Once a trustee is recruited an induction procedure is followed using an induction pack which includes a written copy of the Articles of Association and an introductory meeting with staff and a current trustee. Trustees are encouraged to take an ongoing active interest in the work of the charity and apply their skills to benefit the charity.

Pay policy for senior staff

When deciding pay levels for senior staff, trustees consider rates of pay for similar organisations, NHS banding rates and the benefits required to recruit and retain the most suitably qualified and capable staff.

Organisational structure and decision making

DRCS is governed by its Trustee Board which is responsible for setting the strategic direction of the organisation and policy decisions. The Board meets on a bi-monthly basis and delegates the day to day operation of the organisation to the senior management team.

The Chief Executive Officer (CEO) is responsible for delivery of the strategic direction of the charity including managing income streams, ensuring a positive work culture and to keep the Board fully informed of the operations of the charity. They are also responsible for recommending changes and actions for improvement.

A full time Operations Manager, answerable to the Board, runs the service on a day to day basis. The Admin Team consists of various full time and part time staff who are managed by the Deputy Operations Manager. Their role is to ensure that appointments are booked with patients seeking treatment, that qualified clinicians are available, and that a suitable treatment room is provided for the treatment. Admin staff are also responsible for meeting and greeting patients in order to ensure that the patient experience is totally supportive from the first to the last contact with the service.

Clinical Governance is provided by a Clinical Lead who has responsibility for all of the clinical protocols required and reports on clinical matters directly to the Board. Given the breadth and complexity of clinical governance there are also Assistant Clinical Leads who have specific responsibility for Safeguarding, CPD of clinicians and CBT therapy.

A number of Clinical Supervisors have been trained and appointed to provide one to one and group Supervision to Clinicians which is also a mandatory professional requirement as is their CPD.

Risk management

A detailed risk register is reviewed annually or earlier if changes to risks are identified. Trustees and the senior management team have taken steps to mitigate risks identified to an acceptable level.

Fundraising standards information

The charity does not carry out any fundraising nor use a professional fundraiser to carry out fundraising activities.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2023

Trustees' responsibilities

The trustees (who are also directors of the Derwent Rural Counselling Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



Ms N Adams

20 November 2023

Derwent Rural Counselling Service
Independent Auditor's Report to the members of the Derwent Rural Counselling Service
For the Year Ended 31 March 2023

Opinion

We have audited the financial statements of the Derwent Rural Counselling Service (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2022

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 10), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charitable company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006, Health and Safety regulations and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2023

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charitable company to obtain an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

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

Hawsons

Simon Bladen (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date **20 November 2023**

Derwent Rural Counselling Service

Statement of Financial Activities (Including Income and Expenditure Account)

For the Year Ended 31 March 2023

		2023	2022
		Unrestricted	Unrestricted
	Note	£	£
Income			
Donations and legacies	2	11,796	10,059
Investments	4	136	3
Charitable activities	5	2,114,376	2,005,867
Total income		<u>2,126,308</u>	<u>2,015,929</u>
Expenditure			
Charitable expenditure	6	2,060,290	2,051,122
Total expenditure		<u>2,060,290</u>	<u>2,051,122</u>
Net income/(expenditure)		<u>66,018</u>	<u>(35,193)</u>
Net movement in funds		66,018	(35,193)
Reconciliation of funds			
Total funds brought forward	17	<u>1,504,712</u>	<u>1,539,905</u>
Total funds carried forward	17	<u><u>1,570,730</u></u>	<u><u>1,504,712</u></u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Derwent Rural Counselling Service

Balance Sheet

As at 31 March 2023

Company registration number: 6081874

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	<u>803,438</u>	<u>926,643</u>
Current assets			
Debtors	12	212,569	212,521
Cash and cash equivalents		<u>1,094,450</u>	<u>947,109</u>
		1,307,019	1,159,630
Creditors: amounts falling due within one year	13	<u>(118,516)</u>	<u>(104,839)</u>
Net current assets		<u>1,188,503</u>	<u>1,054,791</u>
Total assets less current liabilities		1,991,941	1,981,434
Creditors: amounts falling due after more than one year	14	<u>(421,211)</u>	<u>(476,722)</u>
Net assets		<u><u>1,570,730</u></u>	<u><u>1,504,712</u></u>
Charity funds			
Unrestricted funds	17	1,320,730	1,204,712
Designated funds	17	<u>250,000</u>	<u>300,000</u>
Total charity funds	17	<u><u>1,570,730</u></u>	<u><u>1,504,712</u></u>

These accounts which have been prepared in accordance with the special provisions relating to small companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board on 20 November 2023.

Signed on behalf of the board of trustees



Ms N Adams

The notes on pages 18 to 28 form part of these financial statements.

Derwent Rural Counselling Service

Statement of Cash Flow

For the Year Ended 31 March 2023

	Note	2023 £	2022 £
Net cash flow from operating activities	19	72,386	260,850
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(43,211)	(546,615)
Proceeds on disposal		190,791	-
Interest received		136	3
Net cash flow from investing activities		147,716	(546,612)
		220,102	(285,762)
Cash flow from financing activities			
Repayment of bank loans		(53,423)	(38,184)
Issue of new bank loan		-	350,000
Interest paid		(19,338)	(19,513)
		(72,761)	292,303
Net increase in cash and cash equivalents		147,341	6,541
Cash and cash equivalents brought forward		947,109	940,568
Cash and cash equivalents carried forward		1,094,450	947,109

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Accounting policies

(a) General information and basis of preparation

Derwent Rural Counselling Service is a registered Charity and a company limited by guarantee in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention.

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

(b) Funds

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

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

(c) Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes direct costs and appropriate proportion of the support costs of the business.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

1 Accounting policies (continued)

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Buildings:	2% straight line
Office equipment:	10% straight line
Computer equipment:	25% straight line

(f) Debtors

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

(g) Cash at bank and in hand

Cash at bank and 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.

(h) Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

(i) Leases

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

(j) Pension contributions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

2 Income from donations and legacies	2023	2022
	Unrestricted	Unrestricted
	£	£
Client donations	<u>11,796</u>	<u>10,059</u>
3 Income from other trading activities	2023	2022
	Unrestricted	Unrestricted
	£	£
Room hire	<u>-</u>	<u>-</u>
4 Income from investments	2023	2022
	Unrestricted	Unrestricted
	£	£
Investment income	<u>136</u>	<u>3</u>
5 Income from charitable activities	2023	2022
	Unrestricted	Unrestricted
	£	£
Fees for counselling	2,047,189	2,000,242
Well-being fees	57,239	-
Supervision fees	4,050	2,860
Other income	5,898	2,765
	<u>2,114,376</u>	<u>2,005,867</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

6 Analysis of expenditure on charitable activities

	2023	2022
	Unrestricted	Unrestricted
	£	£
Salaries	1,073,941	1,000,289
Employer's NI	99,207	95,214
Staff pension costs	49,605	46,304
Staff expenses	7,545	3,465
Counsellors' fees	557,210	630,310
Counsellors' expenses	21,292	4,572
Supervision	3,737	5,010
Room hire	23,509	1,201
Training	2,977	6,079
Insurance	9,288	6,817
Printing & stationery	2,147	4,414
Telephone, internet & postage	38,607	43,956
Computer equipment	15,850	15,220
Office, sundry & other	8,168	9,258
Recruitment	915	1,205
Professional fees	40,501	39,215
Subscriptions	6,994	8,413
Depreciation	16,416	27,218
Premises expenses	94,102	110,568
Loan interest	19,338	19,513
Accountancy fees	-	13
Auditor's remuneration	8,280	6,575
Advertising and promotion	543	1,846
Bank charges	909	817
Bad debts	-	(36,370)
(Profit)/loss on disposal of fixed assets	(40,791)	-
	<u>2,060,290</u>	<u>2,051,122</u>

7 Net income for the year

	2023	2022
	£	£
Net income is stated after charging:		
Depreciation of tangible fixed assets	16,416	27,218
Operating lease rentals	<u>47,500</u>	<u>74,948</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

8 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £8,280 (2022: £6,575).

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2022: £Nil).

No trustee reclaimed expenses during the year (2022: £nil).

The Service considers its key management personnel comprise the Chief Executive Officer, Operations Manager and Clinical Lead. The total amount of employee benefits received by key management personnel is £190,979 (2022: £164,902).

10 Staff costs and employee remuneration

The average monthly number of employees during the year was as follows:

	2023 Number	2022 Number
Average number of employees	41	40

The total staff costs and employee benefits was as follows:

	2023 £	2022 £
Wages and salaries	1,073,941	1,000,289
Social security	99,207	95,214
Defined contribution pension costs	49,605	46,304
	<u>1,222,753</u>	<u>1,141,807</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 (2022: none).

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

11 Tangible fixed assets

	Land and buildings £	Computer equipment £	Office equipment £	Total £
Cost or valuation:				
At 1 April 2022	952,893	37,966	47,764	1,038,623
Additions	43,211	-	-	43,211
Disposals	(150,000)	-	-	(150,000)
Transfer	1,816		(1,816)	-
At 31 March 2023	<u>847,920</u>	<u>37,966</u>	<u>45,948</u>	<u>931,834</u>
Depreciation:				
At 1 April 2022	62,005	30,673	19,302	111,980
Charge for the year	8,411	3,915	4,090	16,416
Depreciation on disposals	-	-	-	-
Transfer	612	-	(612)	-
At 31 March 2023	<u>71,028</u>	<u>34,588</u>	<u>22,780</u>	<u>128,396</u>
Net book value:				
At 31 March 2023	<u>776,892</u>	<u>3,378</u>	<u>23,168</u>	<u>803,438</u>
At 31 March 2022	<u>890,888</u>	<u>7,293</u>	<u>28,462</u>	<u>926,643</u>

12 Debtors

	2023 £	2022 £
Trade debtors	198,216	206,344
Other debtors	14,353	6,177
	<u>212,569</u>	<u>212,521</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans	50,230	48,142
Trade creditors	33,229	19,409
Other tax and social security	23,512	24,945
Accruals	11,545	12,343
	<u>118,516</u>	<u>104,839</u>

The Bank loans are secured by charges over the freehold land and buildings.

14 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans	<u>421,211</u>	<u>476,722</u>

The Bank loans are secured by charges over the freehold land and buildings.

Bank loans include aggregate amounts of £206,294 (2022: £268,306) which fall due after five years and which are payable by instalments.

15 Leases

Operating leases - lessee

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

	2023	2022
	£	£
Not later than one year	37,167	47,500
Later than one and not later than five years	5,333	42,500
	<u>42,500</u>	<u>90,000</u>

16 Contingent liabilities / assets

There are no contingent liabilities or assets (2022: £Nil).

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

17 Fund reconciliation

Unrestricted funds

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
General	1,204,712	2,126,308	(2,010,290)	-	1,320,730
Designated CYP Clinicians	50,000	-	(50,000)	-	-
Future infrastructure development	250,000	-	-	-	250,000
	<u>300,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>250,000</u>
Total	<u>1,504,712</u>	<u>2,126,308</u>	<u>(2,060,290)</u>	<u>-</u>	<u>1,570,730</u>

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
General	1,289,905	2,015,929	(2,051,122)	(50,000)	1,204,712
Designated CYP Clinicians	-	-	-	50,000	50,000
Future infrastructure development	250,000	-	-	-	250,000
	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>300,000</u>
Total	<u>1,539,905</u>	<u>2,015,929</u>	<u>(2,051,122)</u>	<u>-</u>	<u>1,504,712</u>

The designated funds are for young persons clinicians, fit out costs of new property and future infrastructure development.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
As at 31 March 2023			
Fixed assets	803,438	-	803,438
Cash at bank and in hand	844,450	250,000	1,094,450
Current assets	212,569	-	212,569
Creditors due within one year	(118,516)	-	(118,516)
Creditors due after more than one year	(421,211)	-	(421,211)
Total	<u>1,320,730</u>	<u>250,000</u>	<u>1,570,730</u>

	Unrestricted funds £	Designated funds £	Total £
As at 31 March 2022			
Fixed assets	926,643	-	926,643
Cash at bank and in hand	647,109	300,000	947,109
Current assets	212,521	-	212,521
Creditors due within one year	(104,839)	-	(104,839)
Creditors due after more than one year	(476,672)	-	(476,672)
Total	<u>1,204,762</u>	<u>300,000</u>	<u>1,504,762</u>

19 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year	66,018	(35,193)
Interest receivable	(136)	(3)
Interest payable	19,338	19,513
Depreciation of tangible fixed assets	16,416	27,218
(Profit) on disposal	(40,791)	-
(Increase) in debtors	(48)	269,361
Increase/(decrease) in creditors	11,589	(20,046)
Net cash flow from operating activities	<u>72,386</u>	<u>260,850</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2023

20 Pensions and other post-retirement benefits

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £49,605 (2022: £46,304).

21 Financial commitments

There were no financial commitments at the year end other than operating leases disclosed at note 15.

22 Related party transactions

Mrs Menna Yarwood, the Clinical Lead until 1 September 2021, who is married to Professor J Yarwood, a trustee of the charity until 28 October 2021, received salary, employment benefits and self employment income from the charity totalling £Nil (2022: £17,319). During the prior period she was a related party.

During the year £7,920 (2022: £8,580) of PR services were provided by Agent PR a company owned by Miss A Worsnip, a trustee of the charity.

Accounts

Charity number: 1124775
Company number: 6081874

**Derwent Rural Counselling Service
(Limited by Guarantee)**

Reports and Financial Statements

For the Year Ended 31 March 2022



Derwent Rural Counselling Service
Annual Report and Financial Statements
For the Year Ended 31 March 2022

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Derwent Rural Counselling Service

Reference and Administration Details of the Charity, its Trustees and Advisers

For the Year Ended 31 March 2022

Trustees	Mr M Serby (Chair)	
	Miss A Worsnip (Vice-chair)	
	Ms N Adams	
	Dr P Askham	
	Mr C Davies	Resigned 14/02/2022
	Mrs E Muller	Appointed 11/08/2021
	Mr RM Biddulph	Appointed 07/12/2021
	Mrs J Howlings	Appointed 13/04/2022
	Mrs G Capewell	Appointed 13/04/2022
	Mr J Yarwood	Resigned 01/09/2021
	Mr G Jones	Resigned 11/08/2021
	Mrs HL Crapper	Resigned 05/04/2021
Charity number	1124775	
Company number	6081874	
Registered office	Newholme Hospital Baslow Road Bakewell Derbyshire DE45 1AD	
Senior management team	Mrs J Smeeton (Chief Executive Officer) Mr M Penman (Operations Manager) Mrs K Heappey (Clinical Lead)	
Auditor	Hawsons Chartered Accountants Statutory Auditors Pegasus House 463a Glossop Road Sheffield S10 2QD	
Bankers	Natwest 1 Water Lane Bakewell DE45 1YY CCLA Senator House 85 Queen Victoria Street London EC4V 4ET	

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

The Trustees, (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Derwent Rural Counselling Service (the charity) for the year ended 31 March 2022. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

Objectives and activities

The charity's objectives are to promote the good mental health and wellbeing of any members of the public who are experiencing mental illness, however and wherever those problems or illnesses have arisen, through the use of counselling, therapeutic and preventative practices.

Activities for achieving objectives

DRCS offers a variety of therapies including:

- Counselling
- Cognitive behavioural therapy (CBT)
- Interpersonal psychotherapy (IPT)
- Guided self help
- EMDR
- Dynamic interpersonal therapy (DIT)

We also offer well-being workshops in schools and businesses and supervision for therapists and other professionals in a business or educational setting.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

Strategies for achieving objectives

DRCS is a charity committed to providing professional, confidential and empathetic therapy to anyone who asks. Mental Health concerns impact 1 in 4 adults and 1 in 10 children every year, therefore access to effective care and methods of prevention are essential.

We have a team of highly qualified and experienced therapists ready to help any individual, whether it be regarding themselves personally, or if they are worried about a friend, colleague or loved one. We help individuals decide on the right choice of therapy and offer professional advice.

We help support businesses, schools and other educational establishments through our programme of preventative workshops. These focus on early identification of Mental Health difficulties amongst staff or students and overcoming stigma. A culture of well-being in the work place or learning environment is proven to have a positive impact on productivity and performance.

Key performance indicators

The charity uses a number of key performance measurements to assess success in delivering our objectives and activities. These are:

- Recovery rates (meaningful recovery, step 2 recovery, step 3 recovery and overall recovery)
- Number of clients awaiting treatment
- Number of days clients await treatment
- Financial results against forecast results
- CQUIN achievements

These performance indicators are measured against our own targets, regional targets and national targets.

Public benefit

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. More details on how the charity delivers public benefit can be found in the achievements and performance section of this report.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

Achievements and Performance

Review of activities

Meeting demand

The demand for our service continues to grow and our achievements and challenges are listed below:

- Since April 2021 DRCS has had to continue to manage the needs of all clients and employees with working from home and a gradual return to face to face working, however performance remained positive despite all the challenges.
- The number of completed episodes of treatment provided by DRCS in 2021/22 was 3,398. (2020/21: 3,159; 2019/20: 4,267; 2018/19: 4,011; 2017/2018: 3,592; 2016/17: 2,555).
- The overall recovery rate achieved was 2022: 61% (2021: 62.1%; 2020: 57.4%; 2019: 57%; 2018: 58.9%) against a national target of 50% (NHS England guidelines) and an actual national average of 51%.
- Of the 3,398 completed episodes of care - 3,101 (92.9%) required high intensity treatment and 297 required low intensity.
- Offered face to face alternatives due to COVID-19 through online and phone appointments. Limited amount of face to face appointments have been delivered, when clinical need has excluded remote options.
- As demand for the service has begun to normalise, client feedback through the Patient Experience Questionnaire has remained positive with just over 98% saying they would recommend DRCS to friends and family.

Waiting times

- Waiting time exiting 2021/22 – 44.3% were seen within 28 days (first treatment appointment); (2020/21 – 57.3%; 2019/20 – 50%).

Status

- DRCS, in conjunction with Derbyshire Health Care Foundation Trust (DHcFT), continued its status as A Qualified Provider (AQP) of IAPT services in Derbyshire. There are only four IAPT providers in Derbyshire.
- Derbyshire adult IAPT contract – continues until March 2023.
- Current BACP Accreditation has been submitted on time for review.
- Continue to maintain our popular donation therapy service which includes children and adults and attracted enquiries from outside of Derbyshire.
- Continue to provide professional supervision into schools.
- Continue to provide mental health well-being work in schools online.

Contracts won

- A well being service provided to frontline NHS staff in Chesterfield Royal Hospital.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

Partnerships

DRCS works with primary and secondary schools on an ad-hoc basis. We have seen an increased number of referrals from GP surgeries, CAMHS and schools not covered by commissioned NHS service.

DRCS continued to work with DDDC and the Peak District National Park Authority offering well-being programme to its employees.

Matlock Golf Club donated £6,788.77 to DRCS. The total was the biggest individual generation the charity has received in the last eight years. We are very grateful for their contribution.

Recruitment and staffing

Up to 31st March 2022 we had 43 employees on the payroll. We also had self-employed agreements with 35 Counsellors.

A HR Management platform, a company sick pay scheme, and an additional benefits package with Perkbox were all maintained.

Five IAPT NHS funded training positions supported the long term delivery strategy of increasing access to IAPT services.

We continued to put forward candidates into the specialist IAPT NICE recommended modalities training.

We funded one supervision training position for a qualification in clinical supervision with the Sherwood Psychotherapy Training Institute – ongoing relationship since 2015.

We submitted candidates to IAPT supervision training.

We continued our pre accreditation opportunity for counsellors with the aim of submitting for BACP accreditation within 6 months to drive professional standards.

We funded a CIPD qualification for an employee.

Kim Heappey was promoted to clinical lead, a position previously held by Menna Yarwood, who retired after 25 years with DRCS.

Two new trustees joined the board during the year – Max Biddulph and Elisabeth Muller. Jill Howlings and Glinys Capewell joined the board post year end. Helen Crapper, Colin Davies, Gary Jones and Jack Yarwood left (resigned) as trustees.

Infrastructure

Our properties (Ilkeston, Belper, Alfreton, Derby, Chesterfield) have undergone regular maintenance. Long Eaton and Chesterfield were identified as target property search.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

Profiling

DRCS is now coherently profiling its capabilities, activities and expertise to attract greater awareness. A consistency of messages with regular timetabling means the charity is managing its reputation through tailored and targeted social media and marketing, reinforcing the direction of the board and management team's strategy. The continued aim is to position the company ahead of competitors and show commitment to the sector and to increase public relations.

New website content is underway.

Financial Review

Financial performance and position

Income for the year was £2,015,929 (2021: £3,278,117) and expenditure was £2,051,122 (2021: £3,028,159) giving net expenditure of £35,193 (2021: net income of £249,958).

Activities during the year were once again impacted by the Covid-19 pandemic and the road to recovery. Face to face counselling and services offered by the charity were mainly by virtual delivery rather than face to face. The impact of the pandemic on people's lives has seen an increase in the number of people needing support and this is expected to continue into the future. There was an increase in demand for our services throughout the year which increased the amount of IAPT fee income. However, overall income declined due to the Changing Lives project coming to an end in the previous year. The ceasing of the project resulted in an overall decline in expenditure on counsellor's fees, staff salaries and other staff costs but these costs increased for delivery of our core IAPT fee income. Our organisational structure is continually reviewed to ensure we have the correct staffing levels to operate and deliver the required level of services.

At the year end total funds were £1,504,712 (2021: £1,539,905) which were all unrestricted. Trustees have designated funds of £250,000 (2021: £250,000) at the year end towards expansion of operational locations and £50,000 (2021: £nil) towards young persons counselling.

Principal risks and uncertainties

During the year the Trustees have considered and identified the major risks to which the charity is exposed and in so doing the means for mitigating the risks. The main causes for concern are:

- The financial risk of the NHS IAPT contract. The charity is exposed due to reliance on one major source of income. However, steps have been taken to diversify income streams such as well-being programmes and delivery of external supervision. Although the risk exists, due to the national focus on tackling mental health issues and improving access to psychological therapies the charity does not believe funding will suddenly cease.
- Staffing recruitment and retention. There is a shortage of qualified therapists and PWP's nationally especially CBT therapists. DRCS has developed a process of recruitment for trainee PWP's and support them through their academic programme. We continue to work hard to create the conditions to ensure that DRCS becomes the "employer of choice" for counsellors and therapists. We have also invested in the organisational structure and salary levels to ensure staff are in the correct roles and are remunerated appropriately for their responsibilities and performance.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

- Competition from other providers operating in the same arena. There are a number of other organisations who deliver the same and/or similar services to DRCS in the locations the charity currently operates in. These organisations could also tender for the same contracts as DRCS when they come up for renewal. To mitigate against this risk the charity monitors performance and quality of services and has developed a marketing strategy to promote the profile of the charity.
- The new Chesterfield property refurbishment. As with all major capital projects there is inherent risk around the costs and timings of refurbishing the new Chesterfield property purchased in the year. A third party building consultant has been sourced to manage the tender process and advise the Board and Senior Management Team.

Reserves policy

During the financial year the Trustees undertook a review of the charity's reserves policy and calculated a target level of reserves which is fit for purpose. We continue to see growth in demand for services which continues to be a catalyst for growth in the organisation. The charity requires enough funds in reserves to cover general expenditure in case of a short-fall in funding, funds to cover future lease commitments and a sufficient amount for investment and development of the charity's services and infrastructure.

At the year-end free reserves not tied up in fixed assets and excluding bank loans secured on property were £802,933 (2021: £1,095,707) after designating funds of £300,000 (2021: £250,000). The target level of reserves of around £695,000 accounts for three months general unrestricted expenditure, taking into consideration inflation, and future lease commitments.

The current level of free reserves is above the target level. The Trustees consider it appropriate to carry excess reserves at this time to allow investment in services as and when opportunities arise. Trustees' will continue to monitor the reserves policy annually and adapt this to reflect any changes in its activities and the sector in which it operates.

Investment policy

Where possible the Trustees will consider, in areas of high need for services, the purchase of new properties via mortgage financing and a cash deposit, providing we are assured that the property will earn the cost of the mortgage re-payments.

As free reserves are currently above the required levels, and there are strategic plans in place to expand services and operational locations, Trustees do not consider it appropriate to invest surplus cash balances in fixed term deposits, nor use funds to make one off lump sum repayments on current mortgages.

Cash balances need to be available for Trustees' to act timely to any sector developments and opportunities which arise.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

Going concern

After making the appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Plans for future periods

Future developments

DRCS is continuing with its strategy of growth. It is still the long term strategy to develop the charity into a centre of excellence for providing psychological services and a preferred employer.

During the year the charity was successful in securing ownership of a significant property within Chesterfield town centre. Our plans for the new premises include office space, consulting rooms, meeting rooms and relaxation space to help cope with an increased demand for our services in the area plus other tenanted options. This is an exciting project and another step in implementing the board's strategy for growth which will continue into the 2022/23 financial year.

We will also continue to invest in the organisational structure of the charity to ensure it continues to meet operational requirements.

Structure, governance and management

Constitution

Derwent Rural Counselling Service (DRCS) was the successor of Derwent Rural Counselling Services Limited which was established in 1989. The year ending March 2010 was the first year DRCS operated as incorporated charity, limited by guarantee.

The charity is governed by its Memorandum and Articles of Association which were amended on 29 April 2016 to enable the charity to work across a wider geographical area and include well-being services in its activities.

Method of appointment or election of trustees

The existing trustees have the power to appoint new trustees who are able and willing to fulfil the role. Trustees are encouraged to join the board of DRCS on the basis of the expertise and experience in order to ensure the optimum contribution to the current and future needs of the Charity. The trustees seek to maintain a suitable balance of skills and interests amongst those serving on the board.

Each trustee holds office for three years from the date of appointment at the end of which they are eligible for re appointment for one or more further terms of three years each.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

Policies adopted for the induction and training of trustees

Once a trustee is recruited an induction procedure is followed using an induction pack which includes a written copy of the Articles of Association and an introductory meeting with staff and a current trustee. Trustees are encouraged to take an ongoing active interest in the work of the charity and apply their skills to benefit the charity.

Pay policy for senior staff

When deciding pay levels for senior staff, trustees consider rates of pay for similar organisations, NHS banding rates and the benefits required to recruit and retain the most suitably qualified and capable staff.

Organisational structure and decision making

DRCS is governed by its Trustee Board which is responsible for setting the strategic direction of the organisation and policy decisions. The Board meets on a bi-monthly basis and delegates the day to day operation of the organisation to the senior management team.

The Chief Executive Officer (CEO) is responsible for delivery of the strategic direction of the charity including managing income streams, ensuring a positive work culture and to keep the Board fully informed of the operations of the charity. They are also responsible for recommending changes and actions for improvement.

A full time Operations Manager, answerable to the Board, runs the service on a day to day basis. The Admin Team consists of various full time and part time staff who are managed by the Deputy Operations Manager. Their role is to ensure that appointments are booked with patients seeking treatment, that qualified clinicians are available, and that a suitable treatment room is provided for the treatment. Admin staff are also responsible for meeting and greeting patients in order to ensure that the patient experience is totally supportive from the first to the last contact with the service.

Clinical Governance is provided by a Clinical Lead who has responsibility for all of the clinical protocols required and reports on clinical matters directly to the Board. Given the breadth and complexity of clinical governance there are two senior clinicians who assist the Clinical Lead. The Clinical Lead retired at the end of October 2021 and the Board wish to thank her for all her hard work and many years of commitment to DRCS. A review of the Clinical structure was undertaken by the trustees and senior management team at the end of 2021 to ensure it is fit for purpose in the current environment.

A number of Clinical Supervisors have been trained and appointed to provide one to one and group Supervision to Clinicians which is also a mandatory professional requirement as is their CPD.

Risk management

A detailed risk register is reviewed annually or earlier if changes to risks are identified. Trustees and the senior management team have taken steps to mitigate risks identified to an acceptable level.

Fundraising standards information

The charity does not carry out any fundraising nor use a professional fundraiser to carry out fundraising activities.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2022

Trustees' responsibilities

The trustees (who are also directors of the Derwent Rural Counselling Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



Ms N Adams

19/12/2022

Derwent Rural Counselling Service
Independent Auditor's Report to the members of the Derwent Rural Counselling Service
For the Year Ended 31 March 2022

Opinion

We have audited the financial statements of the Derwent Rural Counselling Service (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2022

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 10), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charitable company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006, Health and Safety regulations and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2022

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charitable company to obtain an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

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



Simon Bladen (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date 19 December 2022

Derwent Rural Counselling Service

Statement of Financial Activities
(Including Income and Expenditure Account)

For the Year Ended 31 March 2022

		2022	2021
		Unrestricted	Unrestricted
	Note	£	£
Income			
Donations and legacies	2	10,059	3,932
Other trading income	3	-	36
Investments	4	3	9
Charitable activities	5	2,005,867	3,274,140
Total income		2,015,929	3,278,117
Expenditure			
Charitable expenditure	6	2,051,122	3,028,159
Total expenditure		2,051,122	3,028,159
Net (expenditure)/ income		(35,193)	249,958
Net movement in funds		(35,193)	249,958
Reconciliation of funds			
Total funds brought forward	17	1,539,905	1,289,947
Total funds carried forward	17	1,504,712	1,539,905

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Derwent Rural Counselling Service

Balance Sheet

As at 31 March 2022

Company registration number: 6081874

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	<u>926,643</u>	<u>407,246</u>
Current assets			
Debtors	12	212,521	481,882
Cash and cash equivalents		<u>947,109</u>	<u>940,568</u>
		1,159,630	1,422,450
Creditors: amounts falling due within one year	13	<u>(104,839)</u>	<u>(94,382)</u>
Net current assets		<u>1,054,791</u>	<u>1,328,068</u>
Total assets less current liabilities		1,981,434	1,735,314
Creditors: amounts falling due after more than one year	14	<u>(476,722)</u>	<u>(195,409)</u>
Net assets		<u><u>1,504,712</u></u>	<u><u>1,539,905</u></u>
Charity funds			
Unrestricted funds	17	1,204,712	1,289,905
Designated funds	17	<u>300,000</u>	<u>250,000</u>
Total charity funds	17	<u><u>1,504,712</u></u>	<u><u>1,539,905</u></u>

These accounts which have been prepared in accordance with the special provisions relating to small companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board on 19/12/2022

Signed on behalf of the board of trustees



Ms N Adams

The notes on pages 18 to 28 form part of these financial statements.

Derwent Rural Counselling Service

Statement of Cash Flow

For the Year Ended 31 March 2022

	Note	2022 £	2021 £
Net cash flow from operating activities	19	260,850	377,296
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(546,615)	(11,610)
Interest received		3	9
Net cash flow from investing activities		(546,612)	(11,601)
		(285,762)	365,695
Cash flow from financing activities			
Repayment of bank loans		(38,184)	(16,793)
Issue of new bank loan		350,000	-
Interest paid		(19,513)	(9,962)
		292,303	(26,755)
Net increase in cash and cash equivalents		6,541	338,940
Cash and cash equivalents brought forward		940,568	601,628
Cash and cash equivalents carried forward		947,109	940,568

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

1 Accounting policies

(a) General information and basis of preparation

Derwent Rural Counselling Service is a registered Charity and a company limited by guarantee in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention.

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

(b) Funds

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

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

(c) Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes direct costs and appropriate proportion of the support costs of the business.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

1 Accounting policies (continued)

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Buildings:	2% straight line
Office equipment:	10% straight line
Computer equipment:	25% straight line

(f) Debtors

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

(g) Cash at bank and in hand

Cash at bank and 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.

(h) Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

(i) Leases

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

(j) Pension contributions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the long-term impact of the Covid-19 pandemic, the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

2 Income from donations and legacies

	2022	2021
	Unrestricted	Unrestricted
	£	£
Client donations	<u>10,059</u>	<u>3,932</u>

3 Income from other trading activities

	2022	2021
	Unrestricted	Unrestricted
	£	£
Room hire	<u>-</u>	<u>36</u>

4 Income from investments

	2022	2021
	Unrestricted	Unrestricted
	£	£
Investment income	<u>3</u>	<u>9</u>

5 Income from charitable activities

	2022	2021
	Unrestricted	Unrestricted
	£	£
Fees for counselling	2,000,242	1,791,025
Changing Lives project fees	-	1,453,991
Well-being fees	-	1,000
Supervision fees	2,860	1,050
Other income	2,765	27,074
	<u>2,005,867</u>	<u>3,274,140</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

6 Analysis of expenditure on charitable activities

	2022	2021
	Unrestricted	Unrestricted
	£	£
Salaries	1,000,289	1,766,518
Employer's NI	95,214	161,616
Staff pension costs	46,304	68,222
Staff expenses	3,465	1,301
Counsellors' fees	630,310	671,607
Counsellors' expenses	4,572	6,556
Supervision	5,010	11,036
Room hire	1,201	5,355
Training	6,079	7,725
Insurance	6,817	5,062
Printing & stationery	4,414	3,939
Telephone, internet & postage	43,956	43,790
Computer equipment	15,220	57,876
Office, sundry & other	9,258	11,315
Recruitment	1,205	8,785
Professional fees	39,215	41,511
Travel	-	-
Subscriptions	8,413	7,089
Depreciation	27,218	15,579
Premises expenses	110,568	113,600
Loan interest	19,513	9,962
Accountancy fees	13	-
Auditor's remuneration	6,575	6,125
Advertising and promotion	1,846	2,354
Bank charges	817	1,236
Bad debts	(36,370)	-
	<u>2,051,122</u>	<u>3,028,159</u>

7 Net income for the year

	2022	2021
	£	£
Net income is stated after charging:		
Depreciation of tangible fixed assets	27,218	15,579
Operating lease rentals	<u>74,948</u>	<u>71,948</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

8 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £6,575 (2021: £6,125).

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2021: £Nil).

No trustee reclaimed expenses during the year for reimbursement of the confirmation statement fee (2021: £13).

The Service considers its key management personnel comprise the Chief Executive Officer, Operations Manager and Clinical Lead. The total amount of employee benefits received by key management personnel is £164,902 (2021: £165,658). Amounts were also paid to the Clinical Lead and the Chief Executive Officer for services provided as self employed counsellors totalling £nil (2021: £2,599).

10 Staff costs and employee remuneration

The average monthly number of employees during the year was as follows:

	2022 Number	2021 Number
Average number of employees	40	71

The total staff costs and employee benefits was as follows:

	2022 £	2021 £
Wages and salaries	1,000,289	1,766,518
Social security	95,214	161,616
Defined contribution pension costs	46,304	68,222
	<u>1,141,807</u>	<u>1,996,356</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 (2021: none).

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

11 Tangible fixed assets

	Land and buildings £	Computer equipment £	Office equipment £	Total £
Cost or valuation:				
At 1 April 2021	420,531	37,966	33,511	492,008
Additions	532,362	-	14,253	546,615
At 31 March 2022	<u>952,893</u>	<u>37,966</u>	<u>47,764</u>	<u>1,038,623</u>
Depreciation:				
At 1 April 2021	43,072	26,401	15,289	84,762
Charge for the year	18,933	4,272	4,013	27,218
At 31 March 2022	<u>62,005</u>	<u>30,673</u>	<u>19,302</u>	<u>111,980</u>
Net book value:				
At 31 March 2022	<u>890,888</u>	<u>7,293</u>	<u>28,462</u>	<u>926,643</u>
At 31 March 2021	<u>377,459</u>	<u>11,565</u>	<u>18,222</u>	<u>407,246</u>

12 Debtors

	2022 £	2021 £
Trade debtors	206,344	469,798
Other debtors	6,177	12,084
	<u>212,521</u>	<u>481,882</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	48,142	17,639
Trade creditors	19,409	24,923
Other tax and social security	24,945	41,558
Accruals	12,343	10,262
	<u>104,839</u>	<u>94,382</u>

The Bank loans are secured by charges over the freehold land and buildings.

14 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	<u>476,722</u>	<u>195,409</u>

The Bank loans are secured by charges over the freehold land and buildings.

Bank loans include aggregate amounts of £268,306 (2021: £116,628) which fall due after five years and which are payable by instalments.

15 Leases

Operating leases - lessee

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

	2022	2021
	£	£
Not later than one year	47,500	35,500
Later than one and not later than five years	42,500	69,000
	<u>90,000</u>	<u>104,500</u>

16 Contingent liabilities / assets

There are no contingent liabilities or assets (2021: £Nil).

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

17 Fund reconciliation

Unrestricted funds

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
General	1,289,905	2,015,929	(2,051,122)	(50,000)	1,204,712
Designated					
CYP Clinicians	-	-	-	50,000	50,000
Future infrastructure development	250,000	-	-	-	250,000
	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>300,000</u>
Total	<u><u>1,539,905</u></u>	<u><u>2,015,929</u></u>	<u><u>(2,051,122)</u></u>	<u><u>-</u></u>	<u><u>1,504,712</u></u>

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
General	961,419	3,278,117	(2,949,631)	-	1,289,905
Designated					
CYP Clinicians	78,528	-	(78,528)	-	-
Future infrastructure development	250,000	-	-	-	250,000
	<u>328,528</u>	<u>-</u>	<u>(78,528)</u>	<u>-</u>	<u>250,000</u>
Total	<u><u>1,289,947</u></u>	<u><u>3,278,117</u></u>	<u><u>(3,028,159)</u></u>	<u><u>-</u></u>	<u><u>1,539,905</u></u>

The designated funds are for young persons clinicians, fit out costs of new property, investment in IT and future infrastructure development.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

18 Analysis of net assets between funds

As at 31 March 2022	Unrestricted funds £	Designated funds £	Total £
Fixed assets	926,643	-	926,643
Cash at bank and in hand	647,109	300,000	947,109
Current assets	212,521	-	212,521
Creditors due within one year	(104,839)	-	(104,839)
Creditors due after more than one year	(476,722)	-	(476,722)
Total	<u>1,204,712</u>	<u>300,000</u>	<u>1,504,712</u>

As at 31 March 2021	Unrestricted funds £	Designated funds £	Total £
Fixed assets	407,246	-	407,246
Cash at bank and in hand	690,568	250,000	940,568
Current assets	481,882	-	481,882
Creditors due within one year	(94,382)	-	(94,382)
Creditors due after more than one year	(195,409)	-	(195,409)
Total	<u>1,289,905</u>	<u>250,000</u>	<u>1,539,905</u>

19 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net (expenditure)/ income for the year	(35,193)	249,958
Interest receivable	(3)	(9)
Interest payable	19,513	9,962
Depreciation of tangible fixed assets	27,218	15,579
(Increase) in debtors	269,361	113,061
Increase/(decrease) in creditors	(20,046)	(11,255)
Net cash flow from operating activities	<u>260,850</u>	<u>377,296</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2022

20 Pensions and other post-retirement benefits

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £46,304 (2021: £68,222).

21 Financial commitments

There were no financial commitments at the year end other than operating leases disclosed at note 15.

22 Related party transactions

Mrs Menna Yarwood, the Clinical Lead until 1 September 2021, who is married to Professor J Yarwood, a trustee of the charity until 28 October 2021, received salary, employment benefits and self employment income from the charity totalling £17,319 (2021: £37,077). During the period she was a related party.

During the year £8,580 (2021: £7,920) of PR services were provided by Agent PR a company owned by Miss A Worsnip, a trustee of the charity.

Accounts

Charity number: 1124775
Company number: 6081874

**Derwent Rural Counselling Service
(Limited by Guarantee)**

Reports and Financial Statements

For the Year Ended 31 March 2021



Derwent Rural Counselling Service
Annual Report and Financial Statements
For the Year Ended 31 March 2021

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Derwent Rural Counselling Service

Reference and Administration Details of the Charity, its Trustees and Advisers

For the Year Ended 31 March 2021

Trustees	Mr Mark Serby (Chair)	
	Miss Abby Worsnip (Vice-chair)	
	Ms Nicola Adams	
	Professor J Yarwood	Resigned 01/09/2021
	Mrs Lindsay Sayers	Resigned 10/02/2021
	Mr Gary Jones	Resigned 11/08/2021
	Dr Phil Askham	
	Mr Colin Davies	
	Mrs Helen Crapper	Resigned 05/04/2021
	Mrs Elisabeth Muller	Appointed 11/08/2021
	Mr RM Biddulph	Appointed 07/12/2021
Charity number	1124775	
Company number	6081874	
Registered office	Newholme Hospital Baslow Road Bakewell Derbyshire DE45 1AD	
Senior management team	Ms J Smeeton (Chief Executive Officer) Mr M Penman (Operations Manager) Mrs M Yarwood (Clinical Lead) (Retired 28 October 2021)	
Auditor	Hawsons Chartered Accountants Statutory Auditors Pegasus House 463a Glossop Road Sheffield S10 2QD	
Bankers	Natwest 1 Water Lane Bakewell DE45 1YY CCLA Senator House 85 Queen Victoria Street London EC4V 4ET	

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

The Trustees, (who are also directors of the charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements of Derwent Rural Counselling Service (the charity) for the year ended 31 March 2021. The Trustees confirm that the Annual Report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and activities

Objectives and activities

The charity's objectives are to promote the good mental health and wellbeing of any members of the public who are experiencing mental illness, however and wherever those problems or illnesses have arisen, through the use of counselling, therapeutic and preventative practices.

Activities for achieving objectives

DRCS offers a variety of therapies including:

- Counselling
- Cognitive behavioural therapy (CBT)
- Interpersonal psychotherapy (IPT)
- Guided self help
- EMDR

We also offer well-being workshops in schools and businesses and supervision for therapists and other professionals in a business or educational setting.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

Strategies for achieving objectives

DRCS is a charity committed to providing professional, confidential and empathetic therapy to anyone who asks. Mental Health concerns impact 1 in 4 adults and 1 in 10 children every year, therefore access to effective care and methods of prevention are essential.

We have a team of highly qualified and experienced therapists ready to help any individual, whether it be regarding themselves personally, or if they are worried about a friend, colleague or loved one. We help individuals decide on the right choice of therapy and offer professional advice.

We help support businesses, schools and other educational establishments through our programme of preventative workshops. These focus on early identification of Mental Health difficulties amongst staff or students and overcoming stigma. A culture of well-being in the work place or learning environment is proven to have a positive impact on productivity and performance.

Key performance indicators

The charity uses a number of key performance measurements to assess success in delivering our objectives and activities. These are:

- Recovery rates (meaningful recovery, step 2 recovery, step 3 recovery and overall recovery)
- Number of clients awaiting treatment
- Number of days clients await treatment
- Financial results against forecast results
- CQUIN achievements

These performance indicators are measured against our own targets, regional targets and national targets.

Public benefit

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. More details on how the charity delivers public benefit can be found in the achievements and performance section of this report.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

Achievements and Performance

Review of activities

Meeting demand

The demand for our service continues to grow and our achievements and challenges are listed below:

- Since March 2020, COVID-19 brought unprecedented times for the DRCS team, resulting in working from home, technology issues and impact of lockdown. However, performance is outstanding despite all the challenges.
- The number of sessions/treatments provided by DRCS in 2020/21 was 3,159 (2019/20: 4,267; 2018/19: 4,011; 2017/2018: 3,592; 2016/17: 2,555)
- The overall recovery rate achieved was 2021: 62.1% (2020: 57.4%; 2019: 57%; 2018: 58.9%) against a national target of 50% (NICE guidelines) and an actual national average of 51%. The volume of work over the last year by DRCS reflects the national situation whereby 18% of the population (NHS England statistic) are in need of medium to high intensity treatment for mental health problems such as depression, anxiety and stress. 2,903 (96%) of individuals attending DRCS needed high intensity treatment.
- Offered face to face alternatives due to COVID-19 through online and phone appointments. Limited amount of face to face have been delivered, when clinical need has excluded remote options.

Waiting times

- Waiting time exiting 2022/21 – 57.3% were seen within 28 days (first treatment appointment); (2019/20 – 50%).

Status

- DRCS, in conjunction with Derbyshire Health Care Foundation Trust (DHcFT), continued its status as Derbyshire Clinical Commissioning Groups (CCG's) A Qualified Provider (AQP) of counselling and therapy in Derbyshire. There are only four other AQPs in Derbyshire.
- Derbyshire adult IAPT contract – continues until March 2023.
- Current BACP Accreditation has been submitted on time for review.
- BACP Accreditation Renewal passed with commendations on how DRCS has supported its clients and therapists through the Covid period.
- Changing Lives – delivered 15 month pilot project. Recruited 40 staff and provided services to four school centres of excellence and their feeder schools. Supported 28 trainees through to qualified status. Developed databases, documentation and policies and set up for continued service via alternative provider. 580 referrals.
- Continue to maintain our popular donation therapy service which includes children and adults.
- Continue to provide professional supervision into schools.
- Continue to provide mental health well-being work in schools online.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

Contracts won (2020/21)

- No new contracts were won.
- DRCS delivered the pilot Changing Lives project across 4 sites in Derby and Derbyshire. The contract ran until 31 March 2021.

Partnerships

DRCS' works with primary and secondary schools on an ad-hoc basis. Seen an increased number of referrals from GP surgeries, CAMHS and schools not covered by commissioned NHS service.

DRCS continued to work with DDDC and the Peak District National Park Authority offering well-being programme to its employees.

Recruitment and staffing

Up to 31st March 2021 we had 65 employees on the payroll, which reduced to 39 from 1st April 2021 following a TUPE transfer. We also had self-employed agreements with 31 Counsellors.

Recruited our first HR Manager on 1 April 2020 and since introduced a web-based HR Management platform, a company sick pay scheme, and an additional benefits package with Perkbox.

Increased our level of recruitment into IAPT NHS funded training positions to nine to support the long term delivery strategy of increasing access to IAPT services.

Continued to put forward candidates into the specialist IAPT NICE recommended modalities training.

Funded two supervision training positions for a qualification in clinical supervision with the Sherwood Psychotherapy Training Institute – ongoing relationship since 2015.

Submitted candidates to IAPT supervision training.

Reintroduced, following a 12 month COVID enforced break, our pre accreditation opportunity for counsellors with aim of BACP accreditation within 6 months to drive professional standards.

One new trustee joined the board – Colin Davies.

Infrastructure

Our properties (Ilkeston, Belper, Alfreton, Derby, Chesterfield) have undergone regular maintenance. Long Eaton and Chesterfield identified as target property search.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

Profiling

DRCS is now coherently profiling its capabilities, activities and expertise to attract greater awareness. A consistency of messages with regular timetabling means the charity is managing its reputation through tailored and targeted social media and marketing, reinforcing the direction of the board and management team's strategy. The continued aim is to position the company ahead of competitors and show commitment to the sector and to increase public relations.

New website content is underway.

Financial Review

Financial performance and position

Income for the year was £3,278,117 (2020: £2,502,467) and expenditure was £3,028,159 (2020: £2,167,106) giving net income of £249,958 (2020: £335,361).

Activities during the year were significantly impacted by the Covid-19 pandemic and restrictions which were put in place by the government. Face to face counselling ceased and services offered by the charity had to be adapted to virtual delivery. The impact of the pandemic on people's lives saw an increase in the number of people needing support and this is expected to continue long into the future. There was an increase in demand for our services as the year progressed and an increase in IAPT fee counselling income was seen towards the end of the financial year. This increase in activity increased expenditure on counsellor's fees, staff salaries and other staff costs. Our organisational structure has again been reviewed to ensure we have the correct staffing levels to operate and deliver the required level of services.

At the year end total funds were £1,539,905 (2020: £1,289,947) which were all unrestricted. Trustees have designated funds of £250,000 (2020: £328,528) at the year end towards expansion of operational locations.

Principal risks and uncertainties

During the year the Trustees have considered and identified the major risks to which the charity is exposed and in so doing the means for mitigating the risks. The main causes for concern are:

- The financial risk of the NHS IAPT contract. The charity is exposed due to reliance on one major source of income. However, steps have been taken to diversify income streams such as well-being programmes and delivery of external supervision. Although the risk exists, due to the national focus on tackling mental health issues and improving access to psychological therapies the charity does not believe funding will suddenly cease.
- Staffing recruitment and retention. There is a shortage of qualified therapists and PWP's nationally especially CBT therapists. DRCS has developed a process of recruitment for trainee PWP's and support them through their academic programme. We continue to work hard to create the conditions to ensure that DRCS becomes the "employer of choice" for counsellors and therapists. We have also invested in the organisational structure and salary levels to ensure staff are in the correct roles and are remunerated appropriately for their responsibilities and performance.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

- Competition from other providers operating in the same arena. There are a number of other organisations who deliver the same and/or similar services to DRCS in the locations the charity currently operates in. These organisations could also tender for the same contracts as DRCS when they come up for renewal. To mitigate against this risk the charity monitors performance and quality of services and has developed a marketing strategy to promote the profile of the charity.

Reserves policy

During the financial year the Trustees undertook a review of the charity's reserves policy and calculated a target level of reserves which is fit for purpose. We continue to see growth in demand for services which continues to be a catalyst for growth in the organisation. The charity requires enough funds in reserves to cover general expenditure in case of a short-fall in funding, funds to cover future lease commitments and a sufficient amount for investment and development of the charity's services and infrastructure.

At the year-end free reserves not tied up in fixed assets and excluding bank loans secured on property were £1,095,707 (2020: £780,045) after designating funds of £250,000 (2020: £328,528). The target level of reserves of around £647,000 accounts for three months general unrestricted expenditure and future lease commitments.

The current level of free reserves is above the target level. The Trustees consider it appropriate to carry excess reserves at this time to safeguard against any reduction in income due to long term impacts of the pandemic and also to allow investment in services as and when opportunities arise. Trustees' will continue to monitor the reserves policy annually and adapt this to reflect any changes in its activities and the sector in which it operates.

Investment policy

Where possible the Trustees will consider, in areas of high need for services, the purchase of new properties via mortgage financing and a cash deposit, providing we are assured that the property will earn the cost of the mortgage re-payments.

As free reserves are currently above the required levels, and there are strategic plans in place to expand services and operational locations, Trustees do not consider it appropriate to invest surplus cash balances in fixed term deposits, nor use funds to make one off lump sum repayments on current mortgages.

Cash balances need to be available for Trustees' to act timely to any sector developments and opportunities which arise.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

Going concern

After making the appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Plans for future periods

Future developments

DRCS is continuing with its strategy of growth. It is still the long term strategy to develop the charity into a centre of excellence for providing psychological services and a preferred employer.

Post year end the charity was successful in securing ownership of a significant property within Chesterfield town centre. Our plans for the new premises include office space, consulting rooms, meeting rooms and relaxation space to help cope with an increased demand for our services in the area plus other tenanted options. This is an exciting project and another step in implementing the board's strategy for growth.

We will also continue to invest in the organisational structure of the charity to ensure it continues to meet operational requirements.

Structure, governance and management

Constitution

Derwent Rural Counselling Service (DRCS) was the successor of Derwent Rural Counselling Services Limited which was established in 1989. The year ending March 2010 was the first year DRCS operated as incorporated charity, limited by guarantee.

The charity is governed by its Memorandum and Articles of Association which were amended on 29 April 2016 to enable the charity to work across a wider geographical area and include well-being services in its activities.

Method of appointment or election of trustees

The existing trustees have the power to appoint new trustees who are able and willing to fulfil the role. Trustees are encouraged to join the board of DRCS on the basis of the expertise and experience in order to ensure the optimum contribution to the current and future needs of the Charity. The trustees seek to maintain a suitable balance of skills and interests amongst those serving on the board.

Each trustee holds office for three years from the date of appointment at the end of which they are eligible for re appointment for one or more further terms of three years each.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

Policies adopted for the induction and training of trustees

Once a trustee is recruited an induction procedure is followed using an induction pack which includes a written copy of the Articles of Association and an introductory meeting with staff and a current trustee. Trustees are encouraged to take an ongoing active interest in the work of the charity and apply their skills to benefit the charity.

Pay policy for senior staff

When deciding pay levels for senior staff, trustees consider rates of pay for similar organisations, NHS banding rates and the benefits required to recruit and retain the most suitably qualified and capable staff.

Organisational structure and decision making

DRCS is governed by its Trustee Board which is responsible for setting the strategic direction of the organisation and policy decisions. The Board meets on a bi-monthly basis and delegates the day to day operation of the organisation to the senior management team.

The Chief Executive Officer (CEO) is responsible for delivery of the strategic direction of the charity including managing income streams, ensuring a positive work culture and to keep the Board fully informed of the operations of the charity. They are also responsible for recommending changes and actions for improvement.

A full time Operations Manager, answerable to the Board, runs the service on a day to day basis. The Admin Team consists of various full time and part time staff who are managed by the Deputy Operations Manager. Their role is to ensure that appointments are booked with patients seeking treatment, that qualified clinicians are available, and that a suitable treatment room is provided for the treatment. Admin staff are also responsible for meeting and greeting patients in order to ensure that the patient experience is totally supportive from the first to the last contact with the service.

Clinical Governance is provided by a Clinical Lead who has responsibility for all of the clinical protocols required and reports on clinical matters directly to the Board. Given the breadth and complexity of clinical governance there are three Assistant Clinical Leads who have specific responsibility for Safeguarding, CPD of clinicians and CBT therapy. The Clinical Lead retired at the end of October 2021 and the Board wish to thank her for all her hard work and many years of commitment to DRCS. A review of the Clinical structure was undertaken by the trustees and senior management team at the end of 2021 to ensure it is fit for purpose in the current environment.

A number of Clinical Supervisors have been trained and appointed to provide one to one and group Supervision to Clinicians which is also a mandatory professional requirement as is their CPD.

Risk management

A detailed risk register is reviewed annually or earlier if changes to risks are identified. Trustees and the senior management team have taken steps to mitigate risks identified to an acceptable level.

Fundraising standards information

The charity does not carry out any fundraising nor use a professional fundraiser to carry out fundraising activities.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2021

Trustees' responsibilities

The trustees (who are also directors of the Derwent Rural Counselling Service for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102)
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Disclosure of information to auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



Ms N Adams
17 December 2021

Derwent Rural Counselling Service
Independent Auditor's Report to the members of the Derwent Rural Counselling Service
For the Year Ended 31 March 2021

Opinion

We have audited the financial statements of the Derwent Rural Counselling Service (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2021

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 10), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charitable company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006, Health and Safety regulations and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates.

Derwent Rural Counselling Service
Independent Auditor's Report to the members of Derwent Rural Counselling Service (continued)

For the Year Ended 31 March 2021

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charitable company to obtain an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

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



Simon Bladen (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date 17 December 2021

Derwent Rural Counselling Service

**Statement of Financial Activities
(Including Income and Expenditure Account)**

For the Year Ended 31 March 2021

		2021	2020
		Unrestricted	Unrestricted
	Note	£	£
Income			
Donations and legacies	2	3,932	5,504
Other trading income	3	36	16,355
Investments	4	9	47
Charitable activities	5	3,274,140	2,480,561
Total income		<u>3,278,117</u>	<u>2,502,467</u>
Expenditure			
Charitable expenditure	6	3,028,159	2,167,106
Total expenditure		<u>3,028,159</u>	<u>2,167,106</u>
Net income		<u>249,958</u>	<u>335,361</u>
Net movement in funds		249,958	335,361
Reconciliation of funds			
Total funds brought forward	17	1,289,947	954,586
Total funds carried forward	17	<u><u>1,539,905</u></u>	<u><u>1,289,947</u></u>

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Derwent Rural Counselling Service

Balance Sheet

As at 31 March 2021

Company registration number: 6081874

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	407,246	411,215
Current assets			
Debtors	12	481,882	594,943
Cash at bank and in hand		940,568	601,628
		1,422,450	1,196,571
Creditors: amounts falling due within one year	13	(94,382)	(104,884)
Net current assets		1,328,068	1,091,687
Total assets less current liabilities		1,735,314	1,502,902
Creditors: amounts falling due after more than one year	14	(195,409)	(212,955)
Net assets		1,539,905	1,289,947
Charity funds			
Unrestricted funds	17	1,289,905	961,419
Designated funds	17	250,000	328,528
Total charity funds	17	1,539,905	1,289,947

These accounts which have been prepared in accordance with the special provisions relating to small companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board on

Signed on behalf of the board of trustees



Ms N Adams

17 December 2021

The notes on pages 18 to 28 form part of these financial statements.

Derwent Rural Counselling Service

Statement of Cash Flow

For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Net cash flow from operating activities	19	377,296	(28,895)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(11,610)	(8,261)
Interest received		9	47
Net cash flow from investing activities		(11,601)	(8,214)
		365,695	(37,109)
Cash flow from financing activities			
Repayment of bank loans		(16,793)	(16,177)
Interest paid		(9,962)	(10,435)
		(26,755)	(26,612)
Net increase in cash and cash equivalents		338,940	(63,721)
Cash and cash equivalents brought forward		601,628	665,349
Cash and cash equivalents carried forward		940,568	601,628

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

1 Accounting policies

(a) General information and basis of preparation

Derwent Rural Counselling Service is a registered Charity and a company limited by guarantee in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are set out in the Trustees' Annual Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention.

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

(b) Funds

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

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

(c) Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on charitable activities includes direct costs and appropriate proportion of the support costs of the business.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

1 Accounting policies (continued)

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Buildings:	2% straight line
Office equipment:	10% straight line
Computer equipment:	25% straight line

(f) Debtors

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

(g) Cash at bank and in hand

Cash at bank and 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.

(h) Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

(i) Leases

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

(j) Pension contributions

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the impact of the current Covid-19 pandemic, the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

2 Income from donations and legacies	2021	2020
	Unrestricted	Unrestricted
	£	£
Client donations	<u>3,932</u>	<u>5,504</u>
3 Income from other trading activities	2021	2020
	Unrestricted	Unrestricted
	£	£
Room hire	<u>36</u>	<u>16,355</u>
4 Income from investments	2021	2020
	Unrestricted	Unrestricted
	£	£
Investment income	<u>9</u>	<u>47</u>
5 Income from charitable activities	2021	2020
	Unrestricted	Unrestricted
	£	£
Fees for counselling	1,791,025	2,123,998
Changing Lives project fees	1,453,991	344,154
Well-being fees	1,000	3,190
Supervision fees	1,050	2,765
Other income	27,074	6,454
	<u>3,274,140</u>	<u>2,480,561</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

6 Analysis of expenditure on charitable activities

	2021	2020
	Unrestricted	Unrestricted
	£	£
Salaries	1,766,518	918,823
Employer's NI	161,616	77,252
Staff pension costs	68,222	33,533
Staff expenses	1,301	24,130
Counsellors' fees	671,607	755,025
Counsellors' expenses	6,556	12,005
Supervision	11,036	9,763
Room hire	5,355	27,447
Training	7,725	9,114
Insurance	5,062	3,587
Printing & stationery	3,939	7,178
Telephone, internet & postage	43,790	29,107
Computer equipment	57,876	29,284
Office, sundry & other	11,315	32,909
Recruitment	8,785	1,392
Professional fees	41,511	27,577
Travel	-	-
Subscriptions	7,089	987
Depreciation	15,579	15,289
Premises expenses	113,600	133,580
Loan interest	9,962	10,435
Auditor's remuneration	6,125	5,100
Advertising and promotion	2,354	3,589
Bank charges	1,236	-
	3,028,159	2,167,106

7 Net income for the year

	2021	2020
	£	£
Net income is stated after charging:		
Depreciation of tangible fixed assets	15,579	15,289
Operating lease rentals	71,948	69,855

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

8 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £6,125 (2020: £5,100).

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

One trustee reclaimed £13 of expenses during the year for reimbursement of the confirmation statement fee (2020: £13).

The Service considers its key management personnel comprise the Chief Executive Officer, Operations Manager and Clinical Lead. The total amount of employee benefits received by key management personnel is £165,658 (2020: £154,136). Amounts were also paid to the Clinical Lead and the Chief Executive Officer for services provided as self employed counsellors totalling £2,599 (2020: £2,496).

10 Staff costs and employee remuneration

The average monthly number of employees during the year was as follows:

	2021 Number	2020 Number
Average number of employees	71	42

The total staff costs and employee benefits was as follows:

	2021 £	2020 £
Wages and salaries	1,766,518	918,823
Social security	161,616	77,252
Defined contribution pension costs	68,222	33,533
	<u>1,996,356</u>	<u>1,029,608</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 (2020: none).

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

11 Tangible fixed assets

	Land and buildings £	Computer equipment £	Office equipment £	Total £
Cost or valuation:				
At 1 April 2020	420,531	26,356	33,511	480,398
Additions	-	11,610	-	11,610
At 31 March 2021	<u>420,531</u>	<u>37,966</u>	<u>33,511</u>	<u>492,008</u>
Depreciation:				
At 1 April 2020	34,661	22,080	12,442	69,183
Charge for the year	8,411	4,321	2,847	15,579
At 31 March 2021	<u>43,072</u>	<u>26,401</u>	<u>15,289</u>	<u>84,762</u>
Net book value:				
At 31 March 2021	<u>377,459</u>	<u>11,565</u>	<u>18,222</u>	<u>407,246</u>
At 31 March 2020	<u>385,870</u>	<u>4,276</u>	<u>21,069</u>	<u>411,215</u>

12 Debtors

	2021 £	2020 £
Trade debtors	469,798	592,432
Other debtors	12,084	2,511
	<u>481,882</u>	<u>594,943</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	17,639	16,886
Trade creditors	24,923	45,278
Other tax and social security	41,558	31,645
Accruals	10,262	11,075
	<u>94,382</u>	<u>104,884</u>

The Bank loans are secured by charges over the freehold land and buildings.

14 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	<u>195,409</u>	<u>212,955</u>

The Bank loans are secured by charges over the freehold land and buildings.

Bank loans include aggregate amounts of £116,628 (2020: £137,537) which fall due after five years and which are payable by instalments.

15 Leases

Operating leases - lessee

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

	2021	2020
	£	£
Not later than one year	35,500	35,500
Later than one and not later than five years	69,000	104,500
	<u>104,500</u>	<u>140,000</u>

16 Contingent liabilities / assets

There are no contingent liabilities or assets (2020: £Nil).

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

17 Fund reconciliation

Unrestricted funds

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
General	961,419	3,278,117	(2,949,631)	-	1,289,905
Designated					
CYP Clinicians	78,528	-	(78,528)	-	-
Future infrastructure development	250,000	-	-	-	250,000
	<u>328,528</u>	<u>-</u>	<u>(78,528)</u>	<u>-</u>	<u>250,000</u>
Total	<u><u>1,289,947</u></u>	<u><u>3,278,117</u></u>	<u><u>(3,028,159)</u></u>	<u><u>-</u></u>	<u><u>1,539,905</u></u>

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
General	824,586	2,502,467	(2,123,894)	(241,740)	961,419
Designated					
CYP Clinicians	90,000	-	(11,472)	-	78,528
Ilkeston property	14,000	-	(9,870)	(4,130)	-
Long Eaton property	14,000	-	(9,870)	(4,130)	-
Donation service database	12,000	-	(12,000)	-	-
Future infrastructure development	-	-	-	250,000	250,000
	<u>130,000</u>	<u>-</u>	<u>(43,212)</u>	<u>241,740</u>	<u>328,528</u>
Total	<u><u>954,586</u></u>	<u><u>2,502,467</u></u>	<u><u>(2,167,106)</u></u>	<u><u>-</u></u>	<u><u>1,289,947</u></u>

The designated funds are for young persons clinicians, fit out costs of new property, investment in IT and future infrastructure development.

Derwent Rural Counselling Service

Notes to the Financial Statements

For the Year Ended 31 March 2021

18 Analysis of net assets between funds

As at 31 March 2021	Unrestricted funds £	Designated funds £	Total £
Fixed assets	407,246	-	407,246
Cash at bank and in hand	690,568	250,000	940,568
Current assets	481,882	-	481,882
Creditors due within one year	(94,382)	-	(94,382)
Creditors due after more than one year	(195,409)	-	(195,409)
Total	<u>1,289,905</u>	<u>250,000</u>	<u>1,539,905</u>

As at 31 March 2020	Unrestricted funds £	Designated funds £	Total £
Fixed assets	411,215	-	411,215
Cash at bank and in hand	273,100	328,528	601,628
Current assets	594,943	-	594,943
Creditors due within one year	(104,884)	-	(104,884)
Creditors due after more than one year	(212,955)	-	(212,955)
Total	<u>961,419</u>	<u>328,528</u>	<u>1,289,947</u>

19 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year	249,958	335,361
Interest receivable	(9)	(47)
Interest payable	9,962	10,435
Depreciation of tangible fixed assets	15,579	15,289
(Increase) in debtors	113,061	(406,572)
Increase/(decrease) in creditors	(11,255)	16,639
Net cash flow from operating activities	<u>377,296</u>	<u>(28,895)</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2021

20 Pensions and other post-retirement benefits

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £68,222 (2020: £33,533).

21 Financial commitments

There were no financial commitments at the year end other than operating leases disclosed at note 15.

22 Related party transactions

Mrs Menna Yarwood, the Clinical Lead until 1 September 2021, who is married to Professor J Yarwood, a trustee of the charity until 28 October 2021, received salary, employment benefits and self employment income from the charity totalling £37,077 (2020: £30,714).

During the year £7,920 (2020: £5,940) of PR services were provided by Agent PR a company owned by Miss A Worsnip, a trustee of the charity.