

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

Contents

	Page
Trustees' report	1 - 10
Independent auditors' report	11 - 14
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the financial statements	18 - 28

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.