

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		596,408	1,094,450
		892,379	1,307,019
Creditors: Amounts falling due within one year	12	(184,631)	(118,516)
Net current assets		707,748	1,188,503
Total assets less current liabilities		2,169,566	1,991,941
Creditors: Amounts falling due after more than one year	13	(384,675)	(421,211)
Net assets		1,784,891	1,570,730
Charity funds			
Unrestricted income funds			
Unrestricted funds		1,784,891	1,320,730
Designated funds		-	250,000
Total unrestricted funds		1,784,891	1,570,730
Total charity funds	17	1,784,891	1,570,730

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.