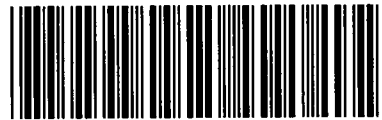

Charity number: 1124775
Company number: 6081874

Derwent Rural Counselling Service
(Limited by Guarantee)

Report and financial statements

For the year ended 31 March 2019

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Derwent Rural Counselling Service

Year ended 31 March 2019

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Derwent Rural Counselling Service

Reference and administration details of the charity, its trustees and advisers

For the Year Ended 31 March 2019

Patron	Lord Edward Manners
Trustees	Mr Mark Serby (Chair) Miss Abby Worsnip (Vice-chair) Ms Nicola Adams Professor J Yarwood Mrs Lindsay Sayers Mr Gary Jones (appointed 10 April 2019) Dr Phil Askham (appointed 10 April 2019) Mr Colin Davies (appointed 14 August 2019)
Charity number	1124775
Company number	6081874
Registered office	Newholme Hospital Baslow Road Bakewell Derbyshire DE45 1AD
Senior management team	Ms Janette Smeeton (Chief Executive Officer) Mr Mark Penman (Operations Manager) Mrs Menna Yarwood (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 2019

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 2019. 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) (effective 1 January 2015) updated for Update Bulletin 1.

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

Objectives and activities

Objectives and activities

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

Activities for achieving objectives

DRCS offers a variety of therapies including:

- Counselling
- Couples counselling
- Cognitive behavioural therapy (CBT)
- Interpersonal psychotherapy (IPT)
- Guided self help
- EMDR
- Mindfulness therapy
- Acceptance and support
- Group workshops

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 2019

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 2019

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 sessions/treatments provided by DRCS in 2018/19 was 4,011 completed episodes of care (2017/2018: 3,592; 2016/17: 2,555).
- The overall recovery rate achieved was just under 57% (2018: 58.9%) against a national target of 50% (NICE guidelines) and an actual national average of 40%. The volume of work over the last year by DRCS reflects the national situation whereby 18% of the population (NHS England statistic) are in need of medium to high intensity treatment for mental health problems such as depression, anxiety and stress. The senior clinical team are producing a guide to assist therapists to consider what they can do to aid client recovery.
- Reducing non attendance (cancellations and DNAs) is a priority and huge opportunity for DRCS as improving recovery will improve income.

Waiting times

- Waiting time exiting 2018/19 was 44 days.

Status

- DRCS, in conjunction with Derbyshire Health Care Foundation Trust (DHcFT), continued its status as Derbyshire Clinical Commissioning Groups (CCG's) A Qualified Provider (AQP) of counselling and therapy in Derbyshire. There are only two other AQPs in Derbyshire.
- DRCS was chosen to deliver a pilot project using CBT therapy groups for CYP - will end in September 2019.
- Derbyshire adult IAPT contract – we await the delayed contract tender/details.

Contracts won (2019/20)

- CYP looked after Children – DRCS was chosen as a subcontractor for the service run by Relate but has yet to see any referrals.
- DRCS has been chosen as the preferred provider of a new and innovative county wide CYP service. The initial contract runs into two years with a potential value of approx. £1.5m. The final contract amount and delivery is currently being finalised.

Partnerships

DRCS' work with schools continues on an ad-hoc basis.

DRCS has continued to work with DCC rolling out its well-being programme to organisations across the county.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2019

Recruitment and staffing

An ongoing programme of recruitment has focussed on the PWP and CBT team plus attracting CYP trained staff resulting in the recruitment of 2 Trainee PWPs and one Trainee CBT plus three CYP individual practitioners (1.7 WTE), start dates pending.

DRCS now has 34 employees on the payroll and contracts the services of 45 self-employed individuals.

A 2.0% salary increase was given this year designed to show the appreciation by the Trustees of staffs hard work and commitment to the organisation.

Three new Trustees have joined the board - Gary Jones, Phil Askham and Colin Davies.

Infrastructure

New premises in Ilkeston have been secured and we continue our search in Long Eaton and Chesterfield for alternative buildings.

Our base at Bakewell is safe for the foreseeable future. Improvements were made to the Alfreton and Derby premises improving and extending employee and client areas.

Discussions around the lease agreement at Belper are being clarified after the death of the landlady and are ongoing.

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 public relations, 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.*

Wins this year have included a new relationship with the Derby Telegraph and Derbyshire Live with two week-long features on Mental Health Awareness Week and World Suicide Prevention Day. Coverage included interviews and videos with DRCS staff.

DRCS also manned stands at a music event to promote positive mental health in Derby in September organised by former MP Amanda Solloway from Head High CIC which coincided with the Derby Pride event.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2019

Financial Review

Financial performance and position

Income for the year was £2,124,467 (2018: £1,943,515) and expenditure was £1,867,492 (2018: £1,654,654) giving net income of £256,975 (2018: £288,861).

A continued increase in demand for our services has seen an increase in IAPT fee counselling income. This increase in activity has increased expenditure on counsellor's fees, staff salaries and other staff costs. Our organisational structure is continuously monitored to ensure we have the correct staffing levels to operate and deliver the required level of services.

At the year end total funds were £954,586 (2018: £697,611) which were all unrestricted. Trustees have designated funds of £130,000 (2018: £35,000) at the year end towards expansion of operational locations, investment in young persons counsellors and a new donations service database.

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.
- 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.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2019

Reserves policy

During the year Trustees have undertaken 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 £687,361 (2018: £493,826) after designating funds of £130,000 (2018: £35,000). The target level of reserves of around £542,000 accounts for three months general unrestricted expenditure, future lease commitments and funds for investment and development.

The current level of free reserves is above the target level. The Trustees' consider it appropriate to carry excess reserves at this time as we continue to search for new premises in areas of service demand. 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.

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.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2019

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.

We will continue to explore options for purchasing or renting buildings in areas of high demand for services. 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.

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.

Derwent Rural Counselling Service

Trustees' Report

For the Year Ended 31 March 2019

Organisational structure and decision making

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

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

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

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

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 2019

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 2015 (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

Signature



Ms N Adams

9/12/19

**Derwent Rural Counselling Service
Independent Auditor's Report**

Year ended 31 March 2019

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

Opinion

We have audited the financial statements of the Derwent Rural Counselling Service (the 'charitable company') for the year ended 31 March 2019 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 2019, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Derwent Rural Counselling Service
Independent Auditor's Report**

Year ended 31 March 2019

(Continued)

Other information

The trustees are responsible for the 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of 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**

Year ended 31 March 2019

(Continued)

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

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Derwent Rural Counselling Service
Independent Auditor's Report**

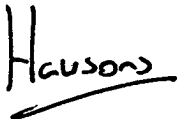
Year ended 31 March 2019

(Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

The image shows a handwritten signature in black ink that reads "Hawsons". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Simon Bladen (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

16 December 2019

Derwent Rural Counselling Service

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

Year ended 31 March 2019

	Note	2019 Unrestricted £	2018 Unrestricted £
Income			
Donations and legacies	2	5,707	3,975
Other trading income	3	2,925	5,804
Investments	4	<u>37</u>	<u>18</u>
		8,669	9,797
Charitable activities	5	<u>2,115,798</u>	<u>1,933,718</u>
Total income		<u>2,124,467</u>	<u>1,943,515</u>
Expenditure			
Charitable expenditure	6	<u>1,867,492</u>	<u>1,654,654</u>
Total expenditure		<u>1,867,492</u>	<u>1,654,654</u>
Net income		<u>256,975</u>	<u>288,861</u>
Net movement in funds		256,975	288,861
Reconciliation of funds			
Total funds brought forward	17	<u>697,611</u>	<u>408,750</u>
Total funds carried forward	17	<u><u>954,586</u></u>	<u><u>697,611</u></u>

All income and expenditure derive from continuing activities.

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

Derwent Rural Counselling Service

Balance Sheet

Year ended 31 March 2019

Company registration number: 6081874

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	<u>418,243</u>	<u>430,293</u>
Current assets			
Debtors	12	188,371	174,113
Cash at bank and in hand		<u>665,349</u>	<u>433,067</u>
		853,720	607,180
Creditors: amounts falling due within one year	13	<u>(87,525)</u>	<u>(93,830)</u>
Net current assets		<u>766,195</u>	<u>513,350</u>
Total assets less current liabilities		<u>1,184,438</u>	<u>943,643</u>
Creditors: amounts falling due after more than one year	14	<u>(229,852)</u>	<u>(246,032)</u>
Net assets		<u><u>954,586</u></u>	<u><u>697,611</u></u>
Charity funds			
Unrestricted funds	17	824,586	662,611
Designated funds	17	<u>130,000</u>	<u>35,000</u>
Total charity funds	17	<u><u>954,586</u></u>	<u><u>697,611</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 9 December 2019.

Signed on behalf of the board of trustees

Signature



Ms N Adams

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

Derwent Rural Counselling Service

Statement of Cash Flow

Year ended 31 March 2019

	Note	2019 £	2018 £
Net cash flow from operating activities	19	263,268	343,620
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(4,346)	(11,204)
Interest received		37	18
Net cash flow from investing activities		(4,309)	(11,186)
		<u>258,959</u>	<u>332,434</u>
Cash flow from financing activities			
Repayment of bank loans		(15,490)	(14,835)
Interest paid		(11,187)	(11,591)
		<u>(26,677)</u>	<u>(26,426)</u>
Net increase in cash and cash equivalents		<u>232,282</u>	<u>306,008</u>
Cash and cash equivalents brought forward		433,067	127,059
Cash and cash equivalents carried forward		<u>665,349</u>	<u>433,067</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2019

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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), 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

Year ended 31 March 2019

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

Year ended 31 March 2019

(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 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

Year ended 31 March 2019

2 Income from donations and legacies	2019	2018
	Unrestricted	Unrestricted
	£	£
Client donations	5,707	3,938
Other donations	-	37
	<u>5,707</u>	<u>3,975</u>

3 Income from other trading activities	2019	2018
	Unrestricted	Unrestricted
	£	£
Room hire	<u>2,925</u>	<u>5,804</u>

4 Income from investments	2019	2018
	Unrestricted	Unrestricted
	£	£
Investment income	<u>37</u>	<u>18</u>

5 Income from charitable activities	2019	2018
	Unrestricted	Unrestricted
	£	£
Fees for counselling	2,100,381	1,908,162
Well-being fees	6,990	17,790
Supervision fees	3,840	7,766
Other income	4,587	-
	<u>2,115,798</u>	<u>1,933,718</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2019

6 Analysis of expenditure on charitable activities	2019	2018
	Unrestricted	Unrestricted
	£	£
Salaries	780,091	675,486
Employer's NI	67,798	52,477
Staff pension costs	36,363	30,819
Staff expenses	21,406	19,131
Counsellors' fees	666,904	623,260
Counsellors' expenses	12,414	10,487
Supervision	8,348	13,475
Room hire	36,061	27,408
Training	7,358	18,545
Insurance	3,473	1,938
Printing & stationery	8,970	6,529
Telephone, internet & postage	24,590	22,417
Computer equipment	6,768	5,573
Office, sundry & other	15,198	12,329
Recruitment	1,212	8,204
Professional fees	42,899	24,999
Travel	57	249
Subscriptions	2,109	920
Depreciation	16,396	15,108
Premises expenses	90,986	67,155
Loan Interest	11,187	11,591
Auditor's remuneration	4,900	6,180
Advertising and promotion	2,004	374
	1,867,492	1,654,654
	1,867,492	1,654,654
 7 Net income for the year		
	2019	2018
	£	£
Net income is stated after charging:		
Depreciation of tangible fixed assets	16,396	15,108
Operating lease rentals	43,506	36,367
	43,506	36,367
	43,506	36,367

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2019

8 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £4,900 (2018: £6,180.)

9 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2018: £Nil).

One trustee reclaimed £13 of expenses during the year for reimbursement of the confirmation statement fee (2018: £26 for printing consumables).

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 £148,093 (2018 - £129,530). Amounts were also paid to the Clinical Lead and the Chief Executive Officer for services provided as self employed counsellors totalling £6,695. (2018: £6,123).

10 Staff costs and employee remuneration

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

	2019 Number	2018 Number
Average number of employees	36	31

The total staff costs and employee benefits was as follows:

	2019 £	2018 £
Wages and salaries	780,091	675,486
Social security	67,798	52,477
Defined contribution pension costs	36,363	30,819
	<u>884,252</u>	<u>758,782</u>

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 (2018: none).

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2019

11 Tangible fixed assets

	Land and buildings £	Computer equipment £	Office equipment £	Total £
Cost or valuation:				
At 1 April 2018	420,531	21,911	25,349	467,791
Additions	-	3,159	1,187	4,346
At 31 March 2019	<u>420,531</u>	<u>25,070</u>	<u>26,536</u>	<u>472,137</u>
Depreciation:				
At 1 April 2018	17,839	11,786	7,873	37,498
Charge for the year	8,411	5,880	2,105	16,396
At 31 March 2019	<u>26,250</u>	<u>17,666</u>	<u>9,978</u>	<u>53,894</u>
Net book value:				
At 31 March 2019	<u>394,281</u>	<u>7,404</u>	<u>16,558</u>	<u>418,243</u>
At 31 March 2018	<u>402,692</u>	<u>10,125</u>	<u>17,476</u>	<u>430,293</u>

12 Debtors

	2019 £	2018 £
Trade debtors	185,848	171,138
Other debtors	2,523	2,975
	<u>188,371</u>	<u>174,113</u>

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2019

13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans	16,166	15,476
Trade creditors	47,476	54,103
Other tax and social security	17,045	16,526
Accruals	6,838	7,725
	<u>87,525</u>	<u>93,830</u>

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

14 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans	<u>229,852</u>	<u>246,032</u>

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

Bank loans include aggregate amounts of £157,653 (2018: £176,915) 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:

	2019	2018
	£	£
Not later than one year	23,446	32,840
Later than one and not later than five years	51,667	7,946
	<u>75,113</u>	<u>40,786</u>

16 Contingent liabilities / assets

There are no contingent liabilities or assets (2018 : £ Nil).

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2019

17 Fund reconciliation

Unrestricted funds

	Balance at 1 April 2018	Income	Expenditure	Transfers	Balance at 31 March 2019
	£	£	£	£	£
General	662,611	2,124,467	(1,867,492)	(95,000)	824,586
Designated					
Matlock	15,000	-	-	(15,000)	-
Bakewell	10,000	-	-	(10,000)	-
Marketing, website and PR	10,000	-	-	(10,000)	-
CYP Clinicians	-	-	-	90,000	90,000
Ilkeston property	-	-	-	14,000	14,000
Long Eaton property	-	-	-	14,000	14,000
Donation service database	-	-	-	12,000	12,000
	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>95,000</u>	<u>130,000</u>
Total	<u><u>697,611</u></u>	<u><u>2,124,467</u></u>	<u><u>(1,867,492)</u></u>	<u><u>-</u></u>	<u><u>954,586</u></u>
	Balance at 1 April 2017	Income	Expenditure	Transfers	Balance at 31 March 2018
	£	£	£	£	£
General	373,750	1,943,515	(1,654,654)	-	662,611
Designated					
Matlock	15,000	15,000	-	-	15,000
Bakewell	10,000	10,000	-	-	10,000
Marketing, website and PR	10,000	10,000	-	-	10,000
	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Total	<u><u>408,750</u></u>	<u><u>408,750</u></u>	<u><u>(1,654,654)</u></u>	<u><u>-</u></u>	<u><u>697,611</u></u>

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

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2019

**18 Analysis of net assets
between funds**

As at 31 March 2019	Unrestricted funds £	Designated funds £	Total £
Fixed assets	418,243	-	418,243
Cash at bank and in hand	570,349	95,000	665,349
Current assets	188,371	-	188,371
Creditors due within one year	(87,525)	-	(87,525)
Creditors due after more than one year	(229,852)	-	(229,852)
Total	859,586	95,000	954,586

As at 31 March 2018	Unrestricted funds £	Designated funds £	Total £
Fixed assets	430,293	-	430,293
Cash at bank and in hand	398,067	35,000	433,067
Current assets	174,113	-	174,113
Creditors due within one year	(93,830)	-	(93,830)
Creditors due after more than one year	(246,032)	-	(246,032)
Total	662,611	35,000	697,611

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

	2019 £	2018 £
Net income for the year	256,975	288,861
Interest receivable	(37)	(18)
Interest payable	11,187	11,591
Depreciation of tangible fixed assets	16,396	15,108
(Increase)/decrease in debtors	(14,258)	20,334
(Decrease)/increase in creditors	(6,995)	7,744
Net cash flow from operating activities	263,268	343,620

Derwent Rural Counselling Service

Notes to the Financial Statements

Year ended 31 March 2019

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 £36,363 (2018 : £30,819).

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, who is married to Professor J Yarwood, a trustee of the charity, received salary, employment benefits and self employment income from the charity totalling £32,143 (2018: £29,961).

During the year £4,950 (2018: £7,986) of PR services were provided by Agent PR a company owned by Miss A Worship, a trustee of the charity.