

Company number: 02966937
Charity number: 1042052



**Annual Report and
Financial Statements
Year ended 31 December 2017**

The Minster Centre
20 Lonsdale Road
Queen's Park
London
NW6 6RD

The Minster Centre

Trustees' report and financial statements for the year to 31 December 2017

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1. Company information

Trustees

Christopher Brooks	(Treasurer, re-elected 20/12/16)
Norma Clayton	(elected 8 January 2016)
Nick Carley	(co-opted 17/11/17, elected 19/12/17)
David Collins	(co-opted 17/11/17, elected 19/12/17)
Malcolm Couldridge	(elected 19/12/17)
Lynn Hanford-Day	(co-opted 30/6/17, elected 19/12/17)
Kea Horvers	(Vice Chair, re-elected 20/12/16, resigned 12/11/17)
Tamar Posner	(Chair, re-elected 20/12/16)
Sean Titley	(elected 7/1/15, re-elected 19/12/17)
Noomi Weinberg	(co-opted 17/11/17, resigned 5/12/17)
Susanna Wright	(elected 20/12/16)

Company Secretary

Christopher Brooks

Senior staff

Director	Felicity Wright
Deputy Director	Philip Reilly
Deputy Director	Alyson Jaffe

Company number: 02966937
Country of incorporation: United Kingdom

Registered Charity Number: 1042052
Country of registration: England & Wales

Registered Office and Business Address: 20 Lonsdale Road
Queen's Park
London
NW6 6RD

Auditor: Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Bankers: CAF Bank Ltd
25 Kings Hill Avenue,
Kings Hill,
West Malling,
Kent, ME19 4TA.

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Trustees' report and financial statements for the year to 31 December 2017

The Trustees present their report and financial statements for the year ended 31 December 2017.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

2. Principal aims and activities

2.1 Aims and Objects

The Minster Centre is a registered charity (number 1042052) and a company limited by guarantee, registered in England, incorporated on 12 September 1994 (number 02966937).

Its principal aims and objects, as defined by the Memorandum and Articles of Association, are:

- (a) to advance the education of the public by providing tuition and training programmes in individual and group psychotherapy for psychotherapists and counsellors and trainee psychotherapists and counsellors
- (b) to relieve persons suffering from mental, emotional and/or physical illness or distress by the provision of psychotherapy and counselling.

2.2 Public benefit statement

The Centre pursues these objects through the delivery of training courses in counselling and psychotherapy and the provision of a community-based, psychotherapy and counselling service.

The Centre strives to be as accessible as possible to people from different cultures and backgrounds and welcoming to trainees and service users from all ethnic communities, sexual orientations, genders, beliefs and cultures. We aim to make our training and services accessible for people with disabilities wherever possible.

In 2015 the Centre initiated a bursary scheme to support individuals wishing to undertake training in psychotherapy and counselling who could not otherwise afford to do so. The scheme aims to support two students per annum on Foundation level courses and one new student per annum undertaking professional training as a counsellor or psychotherapist. The Bursary Committee, which considers applications, has discretion to award these as fully funded or partially funded places or to award more bursaries for smaller amounts.

The training work of the Centre is integrated with the work of the Centre's psychotherapy and counselling service. The therapy is provided by senior trainees who are closely supervised, as part of their training, by in-house clinical supervisors. Clients of the service are charged fees based on their income. In 2017 we estimate this service provided over 3,000 therapy hours. The Centre also continued its relationship with the Waterloo Multi-ethnic Counselling Service (MECS), a service for refugees and asylum seekers. The Centre provides therapy rooms to MECS at reduced cost, supporting the provision of their service in North West London.

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3. Review of the period

3.1 Strategic aims and objectives for 2017

The Board of Trustees reviews the organisation's strategic aims and shorter-term objectives and progress towards meeting them at least annually. In January 2017 the Board restated the overarching aims in terms of the Centre's charitable objects and noted progress against objectives. The Centre continues to have four strategic themes: reputation and influence; quality and range of training; quality and range of services, and governance.

Key aims and objectives identified under each theme are as follows:

- ***Reputation and influence***

Build on the Centre's strong reputation by increasing both its engagement in the profession and awareness of what it can offer to potential trainees and clients. Activities include: rebranding; launching a new website; re-articulating The Minster Centre's stance as a pioneering Integrative training; supporting students, alumni and staff in publishing, research, and actively participating in the profession; ensuring we offer training that addresses cutting-edge issues; supporting and demonstrating pathways to training and working for therapists from more diverse backgrounds; and access to therapy for people who currently experience barriers to access.

- ***Quality and range of training offered***

In June 2016 the Board had reviewed the strategy against the background of a changing higher education landscape, particularly Government support for a widening HE market and the introduction of postgraduate student loans for Masters degrees. The Board agreed that The Minster Centre should seek to obtain designated alternative provider status with the Higher Education Funding Council for England (HEFCE) so Minster students could access Postgraduate Student Loans at the earliest opportunity. This committed the Centre to a Quality Assurance Agency (QAA) Higher Education Review (HER) and a Financial Sustainability, Management, and Governance Review (FSMG) by HEFCE in the period September 2016 to February 2017. These reviews had significant cost and staff resource implications. In addition, the Centre continued to work to establish the post-qualification professional practice courses validated in 2014 with the third cohort being recruited during 2017.

- ***Quality and range of services***

Develop innovative and effective models of delivering therapy services that relieve suffering in a context where obtaining grants and public-sector funding remains difficult. Activity includes exploring opportunities to support the development and delivery of specialist services through partnerships.

- ***Governance***

Activities to ensure The Minster Centre is particularly well governed and managed included: improving the sophistication and availability of financial analysis; using existing resources, such as the building, to increase the Centre's financial security.

3.2 Outcomes 2017

The key achievement for 2017, which has implications for all four of the strategic themes, was being awarded specific course designation by the Department of Education, having met the expectations of the QAA HE Review; ten students in the 2017/18 academic year are recipients of post graduate loans. The QAA review team identified as features of good practice at The Minster Centre: the care taken in the admissions process, which ensures

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that the Centre recruits with integrity and that students have the qualities and motivation to succeed on their programme, and the strategic approach to the employment of professional practitioners whose teaching is informed by experience and research. Recommendations included: developing a strategy to ensure that public information about The Centre's courses reflects current consumer legislation and Competitions and Marketing Authority guidance, and establishing an overarching quality committee which includes students in its membership.

Reputation and influence

The successful QAA Review and subsequent specific course designation by the Department of Education recognises the quality of The Minster Centre HE programmes and its organisational strengths. It also commits The Centre to ongoing engagement with HE quality assurance processes, particularly annual review by QAA, and gives access to postgraduate loans for students who register on our MA.

Work on completing a new website was delayed by the preparations for HEFCE and QAA reviews and the subsequent need to develop and implement an action plan to address both the good practice and the recommendations identified. The process increased awareness of options for the website architecture which will support development of the site, now due for completion in 2018.

The UKCP also reviews its member organisations every five years. The Centre's Quinquennial Review visit was in May 2017. The final report, received in November, acknowledged the high standards of the training being delivered and commented that meetings with students and graduates left them with "an impressive picture of thoroughly grounded, independently minded reflexive practitioners being developed/developed by this training." Our work on improving opportunity for Black and Minority Ethnic (BME) students and other under-represented groups also impressed the assessors. The report included a number of requirements and recommendations including clarifying appeals procedures into a single document and establishing external representation on an ethics committee.

In 2017 two new bursaries were awarded: one for a foundation student and one for a student starting professional training. A bursary for professional training was continued for a student progressing through the training.

Quality and range of training offered

In 2017 the new Professional Practice MA/PG Dip, which was validated in 2014, recruited a second cohort of nine students to follow the Advanced Clinical Practice option and the first student graduated with an MA Professional Practice in Supervision. The increased Foundation level intake established in 2016 continued in 2017 supporting strong recruitment to professional training.

The QAA process, which requires student participation, helped us identify the need to improve the platform that provides students with course information and resources and supports student feedback. The process of migrating from an in-house intranet to a Minster Centre Moodle site started in 2017 and will be completed in 2018. The site structure was established by the end of 2017 and students on Foundation and the first two years of professional training had access to their course materials through Moodle.

Quality and range of services

The Centre continued to offer therapy through its low-cost psychotherapy and counselling service, where senior trainees deliver long-term therapy. During 2017 the service was renamed The Minster Centre Psychotherapy and Counselling Service (MCPCS), all the promotional materials for the service were reviewed and redesigned and information about

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the service was refocused on its quality. The service continues to offer long-term therapy at reduced cost with fees based on income. The Centre also maintained its relationship with the Multi-Ethnic Counselling Service who provide a mother-tongue counselling service to asylum seekers and refugees in North West London using facilities provided at reduced cost by The Minster Centre. Both these services offer access to therapy for groups who would otherwise face obstacles to accessing it. Long-term therapy is increasingly difficult to access via the NHS or through voluntary services both of which increasingly offer primarily short-term work.

Governance

This theme includes as an objective to establish the Minster Centre on a robust financial footing that supports its development. Following the closure of two specialist services and a reorganisation The Centre has moved from a deficit in 2015 to surpluses sustained through 2016 and 2017.

Having agreed in 2016 to explore mechanisms for greater representation of staff and students on the Board, in November 2017, The Centre submitted proposals to the Charity Commission for revised Memorandum and Articles which would allow staff and student representation on a slightly larger Board. The Centre is awaiting the Charity Commission's response.

3.3 Other activities and achievements in 2017

Training

The Minster Centre is one of the United Kingdom's leading organisations for the training of psychotherapists and counsellors; its courses are accredited by the main professional bodies: the Diploma in Integrative Counselling by the British Association of Counselling and Psychotherapy (BACP) and the Advanced Diploma in Integrative Psychotherapy and Counselling by the United Kingdom Council for Psychotherapy (UKCP). The MA/PG Dip courses are validated by Middlesex University.

Courses are offered at all levels ranging from short open-entry counselling skills courses to qualifying and post-qualification post graduate level courses. The structure and content of training and the quality of teaching is kept under regular review and adapted to reflect new developments in the field.

The steady increase in trainee enrolments seen over the last 10 years has continued: in the 2015/16 and 2016/17 academic years this was primarily as a result of increasing the number of places offered on Foundation-level courses, the feed-through of increased numbers to the professional training, and the beginning of new PG Dip and MA courses that were validated in 2014. See Table 1 below for more information on student numbers.

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Table 1: Student Numbers since 2005/06

	2017/ 18	2016/ 17	2015/ 16	2014/ 15	2013/ 14	2012/ 13	2011/ 12	2010/ 11	2009/ 10	2008/9	2007/ 8	2006/ 7	2005/ 6
Foundation certificate	40	46	48	45	30	32	33	31	28	24	20	16	11
Fast Track Foundation certificate	38	38	36	25	26	24	26	26	27	23	15	13	20
Year 1 Professional Training	50	53	48	43	39	42	41	46	32	30	32	22	24
Year 2 Professional Training	47	45	45	33	42	38	43	33	26	24	24	21	23
Counselling Diploma finalists and MA/Adv Diploma Year 3	46	42	35	39	38	42	42	26	21	21	20	26	17
Adv Diploma and MA Finalists ¹	75	70	64	65	62	58	35	34	34	35	38	16	13
CPD – Supervision Diploma/PG Dip/MA ²	10	9	9	9	12	10	9	8	11	10	10	12	-
MA Advanced Clinical Practice	12	9	6	–	–	–	–	–	–	–	–	–	–
Total	318	312	291	259	249	246	229	204	176	168	159	124	120

Note 1: Finalists for the Advanced Diploma and the MA in Integrative Psychotherapy and Counselling may take more than one year to complete their dissertation and case studies; this explains the larger numbers in this group.

Note 2: The post-qualification MA/PG Dip courses in Supervision and Advanced Clinical Practice are new courses.

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Therapy services

The Minster Centre Psychotherapy and Counselling Service (formerly the Low Cost Therapy Service)

The training work of the Centre is integrated with the work of the Centre's, community-based therapy service with therapy being provided by senior trainees.

In 2017, 115 assessments were offered to new clients, of which 89 were attended; 48 clients were offered long term therapy. During 2017 the service also offered therapy to 52 long-term clients who had started in the past few years. We estimate that over 3,000 hours of therapy were provided during 2017. At the end of the year there were 92 active clients who have worked with the service for over six months, with an average duration of therapy of 16 months for long-term clients. Of all clients who started therapy in 2017 only 2 dropped out of treatment before six months had elapsed. At the end of 2017, 82 Minster students were offering therapy through the service and 20 of these are currently seeing two clients.

Waterloo Counselling Service

Following the closure of The Minster Centre's Mapesbury Clinic in 2014, some residual funding from The Big Lottery Fund was transferred to the Waterloo Counselling Service (WCS) to support its work with refugees and asylum seekers. The Minster Centre also negotiated an agreement with WCS so that clients from North London could be seen in rooms provided by The Minster Centre at reduced cost and some basic space was provided to support admin, record storage, etc. The Centre was delighted to be able to continue to support services for refugees and asylum seekers in this way and this arrangement continued throughout 2017.

This service, which was re-named the Multi-ethnic Counselling Service NW (MECS NW), offers counselling in Albanian, Amharic, Arabic, English, Farsi, Farsi (Darri), French, Kurdish, Portuguese and Tamil for refugees and asylum seekers resident in any North London borough.

MECS (NW) expected to be ending with the clients they were seeing during 2016 but were successful in obtaining further funding so continued to offer this service and group work for specific language and cultural groups in 2017. The collaborative arrangement with The Minster Centre has worked well and both MECS and The Minster Centre Trustees have expressed a desire to continue the arrangement as long as funds permit. The Trustees also support the model of working collaboratively to provide specialist services.

3.4 Staff

The Trustees delegate the day-to-day operations to the Director and her team of staff. The Director meets with the Trustees at least five times a year to discuss progress in relation to objectives, monitor performance and agree future budgets, targets and priorities. She also attends at least four Finance Sub-Committees per year and regularly meets more informally with the Chair of Trustees.

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3.5 Remuneration Policy

The Minster Centre needs to recruit and retain staff with a wide range of skills. As a relatively small organisation working in a specialist field, it needs to be led by senior staff who have specialist knowledge in the fields of psychotherapy, training and therapeutic service delivery combined with organisational and business expertise.

Although The Minster Centre is not a London Living Wage-accredited employer (meaning that all staff and contractors are paid at least the living wage) it does seek to ensure that all staff are paid at least the London Living Wage.

The same benefits, including pensions and terms and conditions, apply to all staff including the Director. The Centre does not apply any performance-related pay and does not have a bonus scheme.

A new appraisal system was introduced in 2016 and applies to all permanent staff. The Director participates in the same scheme but also receives feedback from the Board of Trustees and colleagues.

The ratio of highest to lowest and highest to median rates of pay is published annually. As a guideline, the Trustees would not normally expect the ratio of highest to median rate of pay to exceed 4:1. In 2017 the ratio of highest to lowest pay was 3.4 and highest to median rate of pay was 2.4.

Senior staff pay is determined by the Remuneration Sub-Committee (RSC) taking into account comparisons with national charity pay levels, remuneration in Higher Education and the ratios of highest to lowest and highest to median rates of pay. The RSC also agrees and annually reviews the overall approach to staff pay and any annual pay increases taking into account the Centre's financial position and strategic priorities, the cost of living, recruitment and retention rates.

3.6 Recruitment and induction of Trustees

The arrangements for the appointment of Trustees are laid down in the charity's Memorandum and Articles of Association. There must be a minimum of three Trustees and a maximum of twelve. Each year one-third of the Trustees must resign. Trustees can stand for re-election up to a maximum period of nine years. Elections for Trustees are therefore held annually with the Trustees being elected by the Members. Members, for the purposes of elections are Trustees, alumni of Minster Centre professional training courses and individuals who have been granted honorary membership. In the event of a vacancy for the position of a Trustee arising between elections, the Board of Trustees may co-opt a Trustee. Co-opted Trustees then go forward for confirmation at the next scheduled election.

Nominations for Trustees are sought by advertising on the website and to the Membership the types of experience and skills needed for the Board.

At the start of the year there were 6 trustees: Tamar Posner (Chair), Kea Horvers (Vice Chair), Christopher Brooks (Treasurer), Norma Clayton, Sean Titley and Susanna Wright. Composition of the Board was discussed at the January 27th meeting when, in order to reduce the risk of meetings being non-quorate and enable the Board to increase its skill base, agreement to seek to co-opt further Trustees who could then stand for election in 2018 was reached. All The Minster Centre Members were emailed asking them to consider serving as Trustees and an advertisement was placed on Just Do IT. As a result four Trustees were co-opted during the year and three (Nick Carley, David Collins and Lynn Hanford-Day) sought election at the end of the year. In addition a Minster Centre Member,

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Malcolm Couldridge, was nominated and elected, Sean Titley was re-elected and Kea Horvers stood down.

Having agreed in 2016 to explore mechanisms for greater representation of staff and students on the Board, in November 2017 The Centre submitted proposals to the Charity Commission for revised Memorandum and Articles which would allow staff and student representation on a slightly larger Board. The proposed revisions to the Memorandum and Articles are: to introduce safeguards, such as specifying a new quorum that requires a majority of non staff/student trustees; a requirement that the Chair will be a non-executive Trustee; tightening up and making more explicit the Conflict of Interest and Proceedings of Trustees clauses to ensure that conflicts of interest are managed robustly and the balance between executive and non-executive Trustees is managed well. The Centre is awaiting the Charity Commission's response.

4. Financial Review

4.1 Financial performance in 2017

In 2017 the charity had income of £ 1,296,198 and expenditure of £ 1,178,470 resulting in net incoming resources of £ 117,728 for the year. The surplus resulted from strong student recruitment, increased income from room bookings, and careful control over overheads. There was an underspend on new website development due to the work undertaken for the QAA Higher Education Review.

4.2 Reserves Policy

The Minster Centre holds reserves to ensure that it has sufficient cash to cover periods when income is relatively low, that it can meet its ethical obligations to allow students to complete training courses they have started, and that it can meet its ethical obligations to clients by ensuring any therapeutic services that may have to be closed or reduced can be brought to planned and supervised completion.

The level and range of reserves the charity needs were re-assessed at the end of the year using the Risk Identification approach as recommended by Sayer Vincent's *Reserves policies made simple*. This considers the sources, reliability and predictability of income, the commitment to expenditure and the significant risks the charity faces. In addition, consideration has been given to developments that the charity wishes to undertake given its strategic aims.

Cash Flow

Monthly cash flow varies primarily because of the cycle of fee income and the timing of quarterly rent payments. Although many students spread their fee payments across the academic year producing a good flow of income across the months, some pay up-front creating an income peak in September and October that has to support deficits in other months. The Trustees agreed that a minimum cash reserve of £100,000, equivalent to a full month's expenditure, should be held at all times with a preferred cash reserve of £120,000.

Income

Although income from training fees forms a very high proportion of income and would fall if student recruitment fell, this risk is moderated by the fact that fees come from a large number of individuals, we offer a range of courses at different levels (open entry skills through full training to post-qualification CPD), and some courses run for more than one year making income in following years more predictable.

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Expenditure

The Centre's expenditure is all related to its charitable activities. If necessary, the range and scope of delivery could be reduced without negating all public benefit.

Risks

The charity undertakes regular reviews to identify and reduce significant risks. Risks that could impact the charity's viability have been identified as: a large increase in the charity's fixed costs as result of increased premises costs following the 2018 rent review; a major reduction of student applications, and significant damage to the charity's reputation.

The Trustees and the Centre's management have identified actions to mitigate these risks.

Level of reserves

The Board of Trustees is committed to supporting students to complete courses they have commenced and ensuring that, in the event of cessation of a service, any client work can be brought to a planned ending. In the event of a major reduction in recruitment which leads the Centre to take the decision to close a course that takes more than one year to complete, the Centre would be committed to teach trainees to qualification; this could take up to four years. The direct costs of maintaining tuition for courses that take more than one year and the linked support costs would taper off as a cohort of students completed their qualification each year. However, while continuing fees from the remaining students would offset costs, at the end of a course staff redundancy costs would be incurred. Trustees agreed that £230,000 should be held in reserves as an ethical training closure fund. In addition, £30,000 should be held to allow the Minster Centre Psychotherapy and Counselling Service (formerly the Low Cost Therapy Service) to run for six months to bring work with clients to an end and to cover redundancy costs in the event of a decision to close the service. This makes a total ethical closure fund of £260,000.

The Board also decided the designated fund for Dilapidations and repairs (premises) should be raised significantly to a figure of £125,000 to cover dilapidations and any moving costs if needed. Once the rent review is completed, which will be by June 2018, the Board will review the situation. Any remaining reserves will be allocated to general reserves. Thus the agreed reserves will be:

Ethical closure	£260,000
Dilapidations and repairs (Premises)	£125,000 (raised from £50,000 because of the rent review in 2018)
Bursaries	£15,000 (as previously)
Total designated reserves	£40,000

General reserves at the end of 2017 were £135,051. This exceeds the £40,000 minimum reserves the Trustees previously agreed and covers tangible assets of £56,854. The current total Minster Centre reserves are £535,051.

The Trustees will keep The Minster Centre's reserves under review during 2018; in particular attention will be paid to the implications of the rent review. If it looks as though reserves will be in excess of the identified need, steps will be taken to support activities planned to meet the identified strategic aims. However, it will be prudent to delay taking any action until the in-year and medium term budgetary position is clearer and the scale of any rent increase has been established.

The level of reserves required will be reviewed annually.

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4.3 Going concern

The Board of Trustees has reviewed the level of reserves held and the budget for 2018 and has confirmed the level of deferred income and on going fees; they have satisfied themselves that the Minster Centre is a going concern.

5. Future outlook for the Minster Centre

5.1 Principal risks and uncertainties

The Trustees carry out an annual risk assessment, agreeing measures to mitigate risks that would be high impact and/or have a high probability of occurrence. Risk assessment includes consideration of strategic, financial, operational, technological, human resource, and reputational risks. It also includes the duty, under the Counter-Terrorism and Security Act 2015, to have due regard to the need to prevent people from being drawn into terrorism (the Prevent duty). In addition to the annual review, an identified risk is reviewed at each Board meeting.

Key risks identified in 2017, of which some are potentially high impact but unlikely, and for which mitigation measures were agreed, included:

- Lease on the current building becomes too expensive. (Mitigation includes preparation for negotiations in 2018, appointment of specialist advisors and research into alternative options).
- Major loss of income because of drop in student numbers and/or increase in arrears / defaults on fees. (Mitigation includes an increase in places offered on Introductory and Foundation level courses and regular review and close monitoring of deferrals and debtors).
- Loss of key staff or a decrease in staff performance/poor staff wellbeing. (Mitigation includes: external supervision and support for senior management team; succession planning; recruitment of a Quality Manager; trainee scheme for recent graduates wanting to gain experience as trainers).
- A person associated with the Minster Centre being drawn into terrorism. (Mitigation includes specific risk assessment and monitoring by HEFCE of policies and procedures, especially relating to safeguarding, to ensure we meet our Prevent duties).
- Reputational damage. (Mitigation includes rebranding and restatement of The Minster Centre's purpose and values and maintaining strong internal and external communications).

5.2 Strategic aims

In 2015 the Trustees restated the overarching aims in terms of the Centre's charitable objects: the education of the public by providing training in psychotherapy and counselling and the relief of suffering by providing psychotherapy and counselling. They then grouped the strategic aims under four themes: reputation and influence, quality and range of training, quality and range of services, and governance.

In 2016, the Trustees reviewed the strategic aims against the background of a changing higher education landscape, particularly Government support for a widening higher education market which encourages competition and choice, and the introduction of postgraduate student loans for Masters degrees; they agreed the Centre should seek designation as an alternative provider whose MA students are eligible for postgraduate student loans. This committed the Centre to a Quality Assurance Agency (QAA) Higher

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Education Review and, if successful, to engaging in an on-going review process with QAA and HEFCE. This was achieved in 2017.

Key aims under each theme are as follows:

- The Minster Centre has a strong reputation in the field for producing robust therapists. Increasing awareness of what it can offer to potential trainees and clients, to colleagues and to the field of psychotherapy and counselling will increase its capacity to deliver its charitable objects. On-going activities to support this will include: launching a new website; including in training syllabi and CPD workshops cutting-edge topics; supporting and demonstrating pathways to training and working for therapists from more diverse backgrounds; supporting routes to access therapy for groups that currently experience barriers to access.
- Increase the range, quality and reputation of psychotherapy and counselling courses offered at The Minster Centre. The QAA HE Review and the process of annual reviews will provide one framework for the Centre's on going activities to enhance the quality of training offered.
- Develop innovative and effective models of delivering counselling and psychotherapy services in a context when obtaining grants continues to be very difficult. On going activities include the continuing partnership with the Multi-ethnic Counselling Service to deliver services to refugees and asylum seekers, and working to ensure that we train students from a wide range of backgrounds to support the accessibility of services for groups who currently find services suited to their needs hard to access.
- Ensure The Minster Centre is particularly well governed and managed. On going activities include seeking to amend the charity's governing body to increase student and staff representation at Board level from 2018.

At their June 2017 Strategy Day the Board commenced an exercise to re-state the Minster Centre's future direction in terms of its Vision, Mission and Aims. The preliminary work by the Trustees has led to wider consultation with key stakeholders that will be completed in 2018.

6. Statement of responsibilities of the Trustees

The Trustees (who are also directors of The Minster Centre 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).

Company law requires the Trustees to prepare financial statements for each financial year that 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;
- 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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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.

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.

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

The Trustees of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2017 was nine. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was the company's auditor during the year.

This report was approved by the Trustees on 20 April 2018 and signed on its behalf by:

Tamar Posner
Chair

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7. Independent auditors' report to the members of the Minster Centre

Opinion

We have audited the financial statements of the Minster Centre (the 'charitable company') for the year ended 31 December 2017 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 December 2017 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
- 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.

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. 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

The Minster Centre

Trustees' report and financial statements for the Year to 31 December 2017

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' Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- 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 the 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 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' Annual 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 in the Trustees' Annual Report, 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.

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Trustees' report and financial statements for the Year to 31 December 2017

Auditor's responsibilities for the audit of the financial statements

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.

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 entity'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 entity'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 entity 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.

The Minster Centre

Trustees' report and financial statements for the Year to 31 December 2017

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.

Judith Miller (Senior statutory auditor)

Date

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

The Minster Centre

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2017

	Note	2017 Total £	2016 Total £
Income from:			
Charitable activities			
Training Activities		1,157,120	1,084,281
Low Cost Therapy		45,223	40,583
Room Hire & Membership Income		92,465	76,838
Investment interest		1,390	1,519
Total income		1,296,198	1,203,221
Expenditure on:			
Charitable activities	2		
Training Activities		1,122,579	1,101,183
Minster Centre Therapy Service		55,891	54,090
Total expenditure		1,178,470	1,155,273
Net movement in funds		117,728	47,948
Reconciliation of funds:			
Total funds brought forward		417,323	369,375
Total funds carried forward	15	535,051	417,323

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements. All activity in 2016 & 2017 was unrestricted.

The Minster Centre

Balance sheet

Company no. 02966937

As at 31 December 2017

	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	9		<u>56,854</u>		<u>73,619</u>
			56,854		73,619
Current assets:					
Debtors	10	521,776		430,613	
Investments		90,075		89,806	
Cash at bank and in hand		<u>563,642</u>		<u>512,602</u>	
		1,175,493		1,033,021	
Liabilities:					
Creditors: amounts falling due within one year	11	<u>697,296</u>		<u>689,317</u>	
Net current assets			<u>478,197</u>		<u>343,704</u>
Total net assets			<u><u>535,051</u></u>		<u><u>417,323</u></u>
The funds of the charity:					
Unrestricted income funds:	15				
Designated funds		400,000		325,000	
General funds		<u>135,051</u>		<u>92,323</u>	
Total unrestricted funds			<u>535,051</u>		<u>417,323</u>
Total charity funds			<u><u>535,051</u></u>		<u><u>417,323</u></u>

Approved by the trustees on 20 April 2018 and signed on their behalf by

Tamar Posner
Chair

The Minster Centre

Statement of cash flows

For the year ended 31 December 2017

	Note	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	16		49,919		126,547
Cash flows from investing activities:					
Interest from investments		1,390		1,519	
Movement in investments		(269)		(1,235)	
Purchase of fixed assets		-		(1,517)	
		<u> </u>		<u> </u>	
Net cash provided by/ (used in) investing activities			1,121		(1,233)
			<u> </u>		<u> </u>
Change in cash and cash equivalents in the year			51,040		125,314
Cash and cash equivalents at the beginning of the year			512,602		387,288
			<u> </u>		<u> </u>
Cash and cash equivalents at the end of the year	17		563,642		512,602
			<u> </u>		<u> </u>

1 Accounting policies

a) Statutory information

The Minster Centre is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is 20 Lonsdale Road, Queen's Park, London NW6 6RD.

b) Basis of preparation

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) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Key judgements that the charitable company has made which have a significant effect on the accounts include a thorough and detailed review of income & expenditure, and the annual review of risks and mitigation measures.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Investments

Scottish Widows deposit, 1 year fixed term, Maturity 14 January 2018. Interest rate 0.25% gross AER.

h) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

i) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity heading:

- Expenditure on charitable activities includes the costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

- Training 96.0%
- Therapy Service 4.0%

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Leasehold Improvements – Reducing balance method 22.20%
- Computer Equipment – Straight line method 25%
- Office Equipment – Straight line method 25%
- Fixtures & Fittings – Reducing balance method 25%

1 Accounting policies (continued)

m) Debtors

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

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. One year term deposits are accounted for as current asset investments.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

q) Pensions

The Minster Centre operates a defined contribution automatic enrolment pension scheme managed by The People's Pension. Contributions are accounted for as expenditure as they fall due.

2 Analysis of expenditure

	Charitable activities				2017 Total £	2016 Total £
	Training £	LCTS £	Governance costs £	Support costs £		
Staff costs (Note 5)	810,907	45,176	-	-	856,083	793,473
Direct cost	42,681	2,375	-	-	45,056	28,784
QAA costs	5,480	-	-	-	5,480	21,550
i) Withdrawn/Deferred	23,619	-	-	-	23,619	39,505
Room hire costs	-	-	-	-	-	500
Bursaries	2,643	-	-	-	2,643	10,007
Hardship grants	1,950	-	-	-	1,950	3,800
<i>Support and governance costs:</i>						
Premises costs	-	-	-	176,169	176,169	181,489
Office costs	-	-	-	41,488	41,488	42,025
Professional costs	-	-	-	180	180	347
ii) Marketing	-	-	-	8,087	8,087	6,735
Bank charges	-	-	-	2,034	2,034	2,829
Other staff costs	-	-	-	5,036	5,036	12,519
Audit and accountancy	-	-	10,350	-	10,350	11,514
Trustee meeting expenses	-	-	295	-	295	196
	887,280	47,551	10,645	232,994	1,178,470	1,155,273
Support costs	224,654	8,340	-	(232,994)	-	-
Governance costs	10,645	-	(10,645)	-	-	-
Total expenditure 2017	1,122,579	55,891	-	-	1,178,470	1,155,273
Total expenditure 2016	1,101,183	54,090	-	-	1,155,273	

All expenditure in both years was unrestricted.

- i) Withdrawn/Deferred: Represents income lost from students who have left part way through a course, but hope to return to complete their course at a future date.
- ii) The 2016 marketing costs has had £14,633 reallocated to direct costs as it included books & subscriptions + internet costs, whereas these costs in 2017 have been allocated to direct costs, not marketing costs.

3 Grant making

	Grants to individuals £	Support costs £	2017 £	2016 £
Cost				
Training bursaries	2,643	–	2,643	10,007
At the end of the year	<u>2,643</u>	<u>–</u>	<u>2,643</u>	<u>10,007</u>

4 Net incoming resources for the year

This is stated after charging / crediting:

	2017 £	2016 £
Depreciation	16,765	20,777
Operating lease rentals:		
Property	156,000	156,000
Auditors' remuneration (excluding VAT):		
Annual audit	8,850	8,600
Other	–	995
	<u>181,615</u>	<u>287,772</u>

5 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017 £	2016 £
Self-employed	151,204	164,461
Staff costs	659,951	587,276
Social security costs	42,305	39,306
Employer's contribution to defined contribution pension schemes	2,623	2,430
	<u>856,083</u>	<u>793,473</u>

No employee earned more than £60,000 during the year (2016: nil).

Key management personnel are the Minster Centre Senior Management Team. This consists of one Director and two Deputy Directors. All three posts are part-time. The total employee benefits (including pension contributions and employers national insurance) to the Senior Management Team in 2017 were £108,435 (2016 £110,443).

The charity trustees were not paid nor received any other benefits from employment with the charity in the year (2016: £nil). Charity trustees received £766 in payment for professional services (research supervision) supplied to the charity at arms length (2016: £526) as disclosed in note 7.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £311 were incurred by three members relating to attendance at meetings of the trustees (2016: £318 to three trustees).

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows. Full-time equivalent (FTE) numbers are also given:

	2017		2016	
	Headcount No.	FTE No.	Headcount No.	FTE No.
Training Activities	31.7	9.0	25.0	9.0
Therapy Service	2.3	1.0	1.5	1.0
Support	13.0	6.2	11.0	6.0
Governance	1.2	0.8	1.0	1.0
	48.2	17.0	38.5	17.0

7 Related party transactions

Tamar Posner was paid fees for professional services of £766 (2016: £526).

Trustees listed below received services from the charity charged to them at the usual rate as follows:

Tamar Posner – Room rental £5,014 (2016: £3,098).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

9 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Office equipment £	Total £
Cost or valuation					
At the start of the year	265,315	9,318	2,917	6,787	284,337
At the end of the year	265,315	9,318	2,917	6,787	284,337
Depreciation					
At the start of the year	193,055	9,318	2,917	5,428	210,718
Charge for the year	16,425	–	–	340	16,765
At the end of the year	209,480	9,318	2,917	5,768	227,483
Net book value					
At the end of the year	55,835	–	–	1,019	56,854
At the start of the year	72,260	–	–	1,359	73,619

All of the above assets are used for charitable purposes.

10 Debtors

	2017 £	2016 £
Trade debtors	471,099	399,355
Prepayments	50,677	31,258
	<u>521,776</u>	<u>430,613</u>

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	5,222	33,985
Taxation and social security	15,976	14,594
Other creditors	16,128	18,078
Accruals	14,559	15,121
Deferred income	645,411	607,539
	<u>697,296</u>	<u>689,317</u>

12 Deferred income

Deferred income comprises student invoices covering an academic year. Since invoices are issued in September of each year, one third is shown in the income for that year and two thirds are deferred until the following year.

	2017 £	2016 £
Balance at the beginning of the year	607,539	564,618
Amount released to income in the year	(607,539)	(564,618)
Amount deferred in the year	645,411	607,539
	<u>645,411</u>	<u>607,539</u>

13 Pension scheme

The Minster uses The People's Pension scheme as its sole provider. Fifteen employees were enrolled in the scheme December 2017 (2016: 25).

14a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	56,854	–	56,854
Net current assets	78,197	400,000	478,197
Net assets at the end of the year	135,051	400,000	535,051

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Total funds £
Tangible fixed assets	73,619	–	73,619
Net current assets	18,704	325,000	343,704
Net assets at the end of the year	92,323	325,000	417,323

15a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Unrestricted funds:					
Designated funds:					
Dilapidations	50,000	–	–	75,000	125,000
Ethical Closure	260,000	–	–	–	260,000
Bursary fund	15,000	–	(2,643)	2,643	15,000
Total designated funds	325,000	–	(2,643)	77,643	400,000
General funds	92,323	1,296,198	(1,175,827)	(77,643)	135,051
Total unrestricted funds	417,323	1,296,198	(1,178,470)	–	535,051
Total funds	417,323	1,296,198	(1,178,470)	–	535,051

15b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Unrestricted funds:					
Designated funds:					
Dilapidations	40,000	-	-	10,000	50,000
Ethical Closure	220,000	-	-	40,000	260,000
Bursary fund	15,000	-	(10,007)	10,007	15,000
Total designated funds	275,000	-	(10,007)	60,007	325,000
General funds	94,375	1,203,221	(1,145,266)	(60,007)	92,323
Total unrestricted funds	369,375	1,203,221	(1,155,273)	-	417,323
Total funds	369,375	1,203,221	(1,155,273)	-	417,323

Purposes of designated funds

Dilapidations: This fund will be used to enable the charity to return the lease to the landlord if The Minster Centre gave notice to move or at the end of the lease.

Ethical Closure: This fund will be used to ensure that, should training numbers reduce to the point where they are no longer viable, students already part-way through their courses will be offered a means to complete their training. This is reviewed annually as student numbers increase or decrease.

Bursary: This fund will be used to support diversity in the profession by enabling students who would otherwise be unable to afford it to undertake training.

General funds

The Charity is required to reinvest profits from its training activity back into training work to benefit from its VAT exemption. Over the last few years, the Charity's training activity has been profitable and as a result the majority of the Charity's general reserves have been earmarked for spending on training work.

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

	2017 £	2016 £
Net income for the reporting period (as per the statement of financial activities)	117,728	47,948
Depreciation charges	16,765	20,777
Interest from investments	(1,390)	(1,519)
(Increase) in debtors	(91,163)	1,446
Increase in creditors	<u>7,979</u>	<u>57,895</u>
Net cash provided by operating activities	<u>49,919</u>	<u>126,547</u>

17 Analysis of cash and cash equivalents

	At 1 January 2017 £	Cash flows £	Other changes £	At 31 December 2017 £
Cash at bank and in hand	75,026	72	-	75,098
Notice deposits (less than three months)	437,576	50,968	-	488,544
Total cash and cash equivalents	<u>512,602</u>	<u>51,040</u>	<u>-</u>	<u>563,642</u>

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2017 £	2016 £
Less than one year	117,000	156,000
One to five years	-	195,000
	<u>117,000</u>	<u>351,000</u>

There will be a rent review in the second quarter of 2018. Currently under negotiation.

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each trustee in the event of winding up is limited to £1.