

The Foundation for Psychotherapy and Counselling
Directors' Report and Unaudited Financial Statements
For the year ended 30 June 2020

The Foundation for Psychotherapy and Counselling

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Company information

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Registered Office

5 Maidstone Buildings Mews
72-76 Borough High Street
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SE1 1GN

Accountants

Godfrey Wilson Limited
5th Floor, Mariner House
62 Prince Street
Bristol
BS1 4QD

Bankers

HSBC
8 Canada Square
London
E14 5HQ

Solicitors

Hempsons
100 Wood Street
London
EC2V 7AN

Directors' Report

The Directors present their report and financial statements for the year ended 30 June 2020. This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The Foundation for Psychotherapy and Counselling (FPC)

FPC is a private not-for-profit company limited by guarantee, registered in England and Wales under registration number 03610301 and is governed by its Articles.

Objectives

FPC is the professional home for graduates of WPF Therapy. Run by our members, we represent the interests of our members. For graduates and trainees, we help foster their sense of belonging and their professional development.

Principal Activities

The principal activities of the company in the year under review were to promote education and undertake training for those involved in psychotherapy and counselling, and to support the education of the general public as to the use and value of counselling and psychotherapy within the community.

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Not-for-Profit Status

Clause 5 of the Articles requires that the income and property of the company shall be applied solely towards the promotion of the objects of the Company as set forth in the Articles, and that none of the income or property of the Company may be paid or transferred directly or indirectly by way of a dividend bonus or otherwise by way of profit to any member of the Company and that no director may be employed by, or receive any remuneration from, or receive any other financial benefit, from the Company, unless the payment is permitted by Articles 13 to 17.

Income

The main source of income for the 2019/20 financial year is Membership Fees.

Membership of the Board of Directors

The following Directors have held office since 1 July 2019:

R Burgess

J Byrne (retired 14 April 2020)

L Ferguson

L Kent (co-opted 6 November 2019, elected 15 May 2020)

C McKenzie (co-opted 11 November 2020)

L Peckham (co-opted 8 November 2019, elected 15 May 2020)

MR Thompson (re-elected 15 May 2020)

N Woods resigned as Chief Executive 28 September 2019

J Isaac appointed Company Secretary 28 September 2019

The Board delegated day to day management to the Chief Executive to September 2019 and to the Company Secretary from October 2019.

Review of 2019/20

In October 2019 the Board approved a revised business plan and budget to significantly reduce staff and office costs and increase the value of membership. Combined staff and office costs were reduced from over £10,000 per month to under £5,000 a month. Total expenditure reduced from £157,594 in 2018/19 to £106,616 in 2019/20. All events fees were abolished making the events a free benefit of membership. This resulted in a reduction in overall income from £157,310 in 2018/19 to £130,343 in 2019/20. The resulting surplus of £23,678 establishes reserves at close to the minimum level set by the Board for the first time in 7 years.

The increased value of membership encouraged 44 lapsed professional members to rejoin, taking professional membership to 446, an increase of over 10%. Total membership (including retired and trainee members) increased from 504 in 2018/19 to 558 in 2019/20.

In the 2019/20 membership year, all members received a free subscription to the British Journal of Psychotherapy (BJP). The free subscription created a benefit to members valued at £37,386.

35 members opted to subscribe to the International Journal of Psychoanalysis (IJP) at the discounted price available to FPC members. The discounted subscription created a benefit to members valued at £2,485.

All events held during 2019/20 were free of charge to members. On 23rd November 2019 we held a joint event with WPF Therapy to celebrate our shared 50th Anniversary. The 'Meet the Authors' event was attended by 35 members. On 7th March 2020 the PAP Section held their annual Study Day, attended by 58 members. The guest speaker was Marcus Evans speaking on the subject of his latest book "Making Room for Madness in Mental Health - The Psychoanalytic Understanding of Psychotic Communication". Shortly after the Study Day all physical events were cancelled due to the lockdown restrictions.

On 27th March we held our first online event, a Working Online Workshop hosted by Christine Driver attended by 90 members. In response to the challenges created by the lockdown restrictions, we established the Online Discussion

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Groups, the first of which was held on 22nd April. Attendance was limited to 10 members at each group and a programme of seven meetings each fortnight, led by our team of volunteer facilitators, continued throughout the lockdown through to 25th July. 45 meetings were held with a total attendance of 399, with many members attending regularly. The PAP section also held two online conversations attended by an average of 22 PAP members.

During the summer term the Trainee Liaison Committee delivered a series of seminars for trainees in their final year at WPF. 22 of the 24 Year 4s attended at least one of the nine events with attendance averaging 8 at each seminar.

253 members attended at least one event with a total of 1,022.5 hours of CPD generated, creating a benefit to members valued at £15,337.50.

The monetary value of all tangible member benefits generated in 2019/20 totalled £55,208.50, giving a cost/benefit ratio of 42%.

Since the start of the first lockdown in March 2020 all administration and member activities have been online. The cancellation of the planned physical meetings resulted in the launch of the Quarterly Lecture Series being delayed, the AGM being held online and the annual Ethics Conference being cancelled.

After 15 years of service to the members of FPC, Graham Callan retired as manager of the Referrals Service at the end of February 2020. The Board thank Graham for his commitment in keeping the service going for so long, often without the investment and support the service really needed in order for it to be most effective. In March 2019 the FPC website was relaunched with an enhanced Psychotherapist Directory to generate referrals.

On 30th March 2020 we received formal notification from BPC that WPF and FPC had successfully completed our joint 5-yearly reaccreditation of the WPF trainings and FPC's role as a BPC Member Institution. On 7th April 2019 we received confirmation that FPC had successfully completed the quinquennial review as an Organisational Member of UKCP and CPJA.

At the online AGM held on 15th May 2020 the members voted to approve the closure of the FPC Bursary Fund with the balance being transferred to the WPF Student Hardship Fund.

The work of FPC would not be possible without the significant voluntary commitment of many members participating in committees and organising events. At the 2020 AGM, 30 members were awarded Fellowship of FPC in recognition of their contribution to FPC and the wider therapeutic community.

The Board met 6 times during the year. The Ethics & Professional Standards Committee met regularly through the year, the main focus of their work being the rewriting of the Code of Ethics, approved by members at the AGM. The Trainee Liaison Committee continued their good work in supporting trainees as they approach graduation.

Outlook for 2020/21

Membership fees for 2020/21 have been held at the same level as in 2019/20. In response to the uncertainty created by the Covid-19 restrictions, the Board set a conservative budget for 2020/21 in the expectation of a reduction in the number of members renewing their membership.

The Board will continue to focus on increasing the value of member benefits with a target of achieving a cost/benefit ratio of at least 100% in 2020/21. A significant contribution to achieving this will be the introduction of free subscription to PEP-Web for all professional members. All CPD events will continue to be free of charge and it is hoped to negotiate a more substantial discount for IJP. The BJP free subscription will be upgraded to being available online, giving searchable access to all content from the first issue.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view

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of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is appropriate to presume that the company will not continue to operate.

Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the company's financial position and enable them to ensure that the accounts comply with Company law. They are also responsible for safeguarding the company's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to the Accountants

We, the Directors of the company who held office at the date of approval of these Financial Statements, as set out above, each confirm so far as we are aware, that:

- there is no relevant accounting information of which the company's accountants are unaware;
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant accounting information and to establish that the company's accountants are aware of that information.

Accountants

At the Annual General Meeting on 15 May 2020, the Members of FPC approved the appointment of Godfrey Wilson as the Accountants for the year ended 30 June 2020. Godfrey Wilson has expressed willingness to act in that capacity.

Reserves

The Directors believe that the company should hold freely available financial reserves (the "Emergency Operating Reserve" - EOR) because it has no endowment funding and is entirely dependent for income upon membership fees, which is inevitably subject to fluctuation, and it requires protection against, and the ability to continue operating despite, catastrophic or lesser, but damaging, events. The Directors believe that the minimum level of the EOR should be the equivalent of three months' operating costs, and that the maximum level of the EOR should be the equivalent of six months' operating costs, calculated and reviewed annually. At 30 June 2020 the level of EOR stood at £23,359 (30 June 2019: minus £382), which is below the minimum requirement for the current year. The Directors have set a budget for 2020/21 that will return the EOR to within the agreed levels and will set budgets over the coming years to maintain the EOR within the agreed levels. The Directors believe that the EOR should be maintained at the desired level consistent with the company's overall financial position and its need to maintain and develop its activities.

Reserves, in addition to the EOR, are held in designated funds for future investment to develop new and enhanced services. There are currently no reserves held in designated funds.

Internal Financial Control

The company has in place systems of internal control. They are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A rolling plan and an annual budget and operational plan approved by the Directors;
- A number of matters are specifically reserved for the Directors' approval;
- There is a clear organisational structure with appropriate lines for reporting;
- Regular consideration by the Directors of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews;
- The development of policy documents covering major strategic and operational activities reviewed with appropriate regularity and consultation; and
- The delegation by the Directors to the Company Secretary of the identification and management of risks.

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Risk Management

The Directors conduct an annual review of the risks to which the company is exposed and systems are established to monitor and mitigate those risks.

At the 2020 review the Directors identified 23 low risks, 5 medium risks and no high risks. For all risks, control procedures are in place. In addition, for all medium risks, monitoring processes have been established.

Structure of governance

Up to eight Directors are elected by the members at the Annual General Meeting, and up to four Directors are appointed by the Board, for periods of three years. Vacancies for Elected Directors may be filled by co-option by the Board for the period until the next Annual General Meeting. The Board appoints the Chair, Vice-Chair and any other Officers.

On behalf of the Board

R L Burgess

Richard Burgess

Chair

23 January 2021

The Foundation for Psychotherapy and Counselling

Accountant's Report to the Board of Directors on the preparation of the unaudited statutory financial statements of the Foundation for Psychotherapy and Counselling for the year ended 30 June 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of The Foundation for Psychotherapy and Counselling for the year ended 30 June 2020 as set out on pages 8 - 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the directors of The Foundation for Psychotherapy and Counselling, as a body, in accordance with the terms of our engagement letter dated 18 October 2018. Our work has been undertaken solely to prepare for approval the accounts of The Foundation for Psychotherapy and Counselling and state those matters that we have agreed to state to the directors of The Foundation for Psychotherapy and Counselling, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Foundation for Psychotherapy and Counselling and its directors as a body for our work or for this report.

It is your duty to ensure that The Foundation for Psychotherapy and Counselling has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of The Foundation for Psychotherapy and Counselling. You consider that The Foundation for Psychotherapy and Counselling is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of The Foundation for Psychotherapy and Counselling. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the statutory accounts.

Alison Godfrey

Alison Godfrey FCA

Date: 25 January 2021

For and on behalf of:

Godfrey Wilson Limited

Chartered accountants and statutory auditors

5th Floor Mariner House

62 Prince Street

Bristol

BS1 4QD

The Foundation for Psychotherapy and Counselling

Income and Expenditure Account for the year ended 30 June 2020

	Notes	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Income	3	130,012	157,236
Operating Expenditure		<u>(106,616)</u>	<u>(157,594)</u>
Operating surplus (deficit)	4	23,396	(358)
Interest receivable		<u>331</u>	<u>74</u>
Surplus (deficit) on ordinary activities before taxation		23,727	(284)
Tax on ordinary activities	5	<u>(49)</u>	<u>(14)</u>
Surplus (deficit) on ordinary activities after taxation		<u>23,678</u>	<u>(298)</u>

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Balance sheet as at 30 June 2020

	Notes	30 June 2020 £	£	30 June 2019 £	£
Fixed assets	2		0		0
Current assets					
Debtors	6	1,000		7,467	
Cash at bank and in hand		135,649		72,910	
		<u>136,649</u>		<u>80,377</u>	
Creditors: amounts falling due within one year	7	<u>(113,353)</u>		<u>(80,759)</u>	
Total assets less current liabilities			<u>23,296</u>		<u>(382)</u>
Represented by:					
Accumulated Fund					
Balance bought forward			(382)		(84)
Excess of Income over Expenditure for Period			23,678		(298)
Balance carried forward			<u>23,296</u>		<u>(382)</u>

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

For the financial year ended 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006; and no notice has been deposited under section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 386 of the Companies Act 2006 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the Board for issue on 23 January 2021.

Mary Rose Thompson

Mary Rose Thompson
Vice Chair

Company Registration Number 03610301

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Notes to the Financial Statements for the year to 30 June 2020

1 Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 Section 1A - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006. The company has presented an income and expenditure account instead of a profit and loss account as it considers this to reflect its activity as a not-for-profit entity.

2 Tangible fixed assets

The company only capitalises fixed assets with a cost of more than £1,000. During the 2019/20 financial year the company disposed of all capitalised fixed assets with a net book value of zero. The company owned no capitalised fixed assets at 30 June 2020.

3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue from the sale of goods is recognised when goods are delivered and legal title has passed.

	Year to 30 June 2020	Year to 30 June 2019
	£	£
4 Operating surplus/(deficit)		
Operating surplus/(deficit) is stated after charging:		
Depreciation of tangible assets	<u>0</u>	<u>0</u>

5 Taxation

Taxation represents the sum of tax currently payable and deferred tax.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

UK current year taxation		
UK Corporation Tax at 19%	(49)	(14)

6 Trade and Other Debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad or doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad or doubtful debts.

Taxation and social security	0	638
Debtors	1,000	4,415
Prepayments	<u>0</u>	<u>2,414</u>
	<u>1,000</u>	<u>7,467</u>

7 Trade and Other Creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Taxation and social security	0	0
Deferred Income	77,081	62,722
Bursary Fund (note 8)	0	431
Other creditors	<u>36,272</u>	<u>17,606</u>
	<u>113,353</u>	<u>80,759</u>

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8 Bursary Fund

Donations received and Bursaries awarded are not treated as Income and Expenditure because FPC holds the money in trust on behalf of the donors and it is not, therefore, available to meet general expenditure. Any balance held is shown in the Balance Sheet as a creditor.

At the AGM on 15 May 2020 the Members approved the closure of the FPC Bursary Fund with the amount held being transferred to the WPF Hardship Fund.

	£
Balance at 1 July 2019	431
Donations Received 1 July 2019 to 30 June 2020	314
Bursaries Awarded 1 July 2019 to 30 June 2020	0
Transferred to the WPF Student Hardship Fund	<u>745</u>
Balance at 30 June 2020	<u>0</u>

9 Employees

The average number of persons employed (fte) during the year was 0.5 (2018/19: 1.5). From 1 October 2019 all administrative services have been provided by contractors. Directors are not employed and act in a voluntary capacity.

10 Pension Costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss accounts for the year in which they are payable to the scheme. Differences between the contributions payable and contributions actually paid during the year are shown as either accruals or prepayments at the year end.

11 Directors' Remuneration

In accordance with the Articles, no Directors receive any remuneration or other benefit in money or money's worth from the company for being a Director. Articles 13-17 allow Directors to receive remuneration in certain restricted circumstances. During 2019/20 no Director received any remuneration (In 2018/19 no Director received any remuneration). The Articles allow Directors to receive reasonable and proper out-of-pocket expenses. During 2019/20 no Director claimed expenses (In 2018/19 one Director claimed expenses of £17).

12 Related Parties

Ultimate controlling party

The company was under the control of the Directors for the period.

Transactions with related parties

There were no related party transactions during the year.

13 Limited by guarantee

The Company is limited by guarantee and therefore has no share capital. In the event of the company being wound up, every member undertakes to contribute to the assets of the Company, during the time they are a member, such amount as may be required not exceeding £10.