

BETHPHAGE

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



BETHPHAGE
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees	Derek Lum, Chair Irena Sobolewska, Vice Chair Anthony Charles Aston Ruth Houghton Anna Krauss (appointed 10 May 2021) Laura Vernon (resigned 10 September 2020)
Company registered number	02971171
Charity registered number	1046225
Registered office	8 Longbow Close Harlescott Lane Shrewsbury Shropshire SY1 3GZ
Company secretary	Stuart Wheeler
Chief executive officer	Stefanie Kay
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Bankers	The Co-Operative Bank plc 1 Balloon Street Manchester M4 4BE CAF Bank Ltd 25 Kings Hill Avenue West Malling ME19 4JQ
Solicitors	Trowers and Hamlin LLP 3 Bunhull Row London EC1Y 8YZ
Senior management team	Stefanie Kay, Chief Executive Officer Alice Blakeman, Service Development Manager Helen Burton, Head of Operations Martin Dean, Finance Manager Clare Shaw, Quality Manager Chris Stephens, Head of Finance Stuart Wheeler, Head of Human Resources

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
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Honorary President	Donna Werner
Members	Mosaic Council of Lutheran Churches

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of Bethphage for the year 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the second edition Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (October 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Introduction

As the board reported last year, Bethphage and much of the world have continued to deal with the unprecedented changes and restrictions that Covid-19 necessitated for nations, businesses, charities and citizens alike. Bethphage implemented its business continuity plan and has worked tirelessly throughout the year to protect the people we support and staff alike. Although we can now see restrictions beginning to ease, our priority remains the safety and well-being of people we support and staff. During the year we believe that our core values, and particularly safety, remained at the heart of our decision-making processes and day to day operations, and were the one 'constant' in often rapidly changing circumstances.

The outlook for the coming year is a lot more positive as we expect the effect of vaccines to permit a return to some form of normality. We have tried to learn lessons and make improvements throughout the pandemic and will continue to do so. But we will also take time to reflect on whether there are other wider lessons that we can learn.

Sadly, Bethphage did not escape the ravages of Covid-19. During the year two service users sadly died in hospital after contracting the virus in hospital settings. Although we had several staff who contracted Covid-19 during the year, widespread transmission throughout the organisation did not occur. We believe that the infection control procedures and personal protective equipment, together with the rigorous attention to safety by our staff, had a major impact on safety.

The Board know how vital our staff are in delivering our services. But this year has been exceptional, and so have our staff. Their creative energy, optimism, ability to adapt to rapidly changing new and highly challenging situations, and their selflessness at a time of great personal risk has been inspirational. As the Board said last year, our hope is that our country ultimately recognises the importance and value that society places on social care services and that this is reflected in the rewards that dedicated staff in the sector receive.

The Board would also like to thank the people we support, their families and our local authority partners for their support, co-operation and help during the year. Their co-operation and assistance has made the difficult adjustments that have had to be made far easier to implement. Although there were early temporary modifications by the Government of the Mental Health Act and Mental Capacity Act legislation, and the Deprivation of Liberty Safeguards, none of these modifications were required or used by Bethphage in its provision of services.

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The Board hope that as the country emerges from the Covid- 19 outbreak that we can redouble our efforts to apply the things we have learned to provide even better services and outcomes in the future.

The lockdown and wider Covid-19 restrictions have presented numerous challenges to Bethphage and prevented the people we support from doing many of the things that they would most wish to do. Our day services have been severely curtailed during the year, with staff focussing on contacting the people who use these services regularly and organising online events, garden visits, well-being activity packs, and regular communication. Our staff who provide supported living and small care home services have adapted daily routines and created new and stimulating activities for people to participate in at their homes or in their gardens and, as the lockdown has eased, full advantage has been taken of any new opportunities available.

*During the Covid-19 lock-downs our creative
staff worked hard to create meaningful
activities:*

*Virtual social gatherings
Egg and Spoon races
Making Easter bonnets
Planting seeds and gardening
Preparing frozen vegetables
Tai chi
Zumba
Outdoor games
Treasure hunts
Creating time capsules*

Workplace Postings – 2020/21

Objectives and activities

a. Policies and objectives

Our Vision is of inclusive communities where all people have the opportunity to live the life they choose.

Our Mission is to be an excellent provider of services for people with disabilities and we seek to deliver services based on four core values:

- **Personal Growth:** We create a safe and healthy environment, where we provide positive feedback, support each other to reflect on actions and learn and grow from them
- **Respect:** We respect and value the diversity, individuality and views of everyone we come into contact with; fully considering each perspective before arriving at an agreed outcome
- **Honesty:** We work together in an open and honest way; taking responsibility and remaining accountable for our actions
- **Active Involvement:** We work together, actively engaging and involving the people we support in everyday actions.

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Objectives and activities (continued)

At our AGM in October 2020 the Board were delighted to appoint Donna Werner as Honorary President of Bethphage for another one-year term. Donna brings a wealth of experience to Bethphage and is a valuable sounding board for both the Board and Executive Management Team (EMT).

During the year Bethphage developed its new Strategic Plan for 2020 – 2024 which, because of Covid-19 and the likely changing financial landscape, we have separated the plan into two parts:

- 2020 - 2022
- 2022 - 2024

The first part of the plan is entitled 'Building Resilience and delivering Best Value' and outlines our plans for swift action, to prepare Bethphage for the challenges ahead. The second part is entitled 'Creating Sustainable Growth and Quality' and focuses on the future growth opportunities that will emerge, whilst maintaining our focus on high quality provision.

***A family member thanked a member of staff
from day opportunities for their support
through lockdown saying "you are brilliant, I
can't thank you enough".***

Relative - 2020

Bethphage recognises that enormous strain has been placed on our Commissioners' finances by the pandemic, and that they will be seeking to ensure they make savings and improve efficiencies going forward. During the first part of the Strategic Plan Bethphage is looking in detail at how we can improve the efficiency, and therefore the cost, of service delivery. Our aim is also to work constructively with Commissioners to develop where appropriate, new models of service which can reduce overall costs, but without sacrificing quality or safety.

The changes in working practices in the last year will be examined to determine how they might be employed, in whole or in part, in the future to improve efficiency and reduce costs. For example, in future, once common face to face meetings will be examined to ensure that real value is being obtained by the time and expense of travelling.

Two projects aimed at examining the benefits of further use of Assistive Technology have commenced during the year, and this is likely to be an area of continuing interest in the future.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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Objectives and activities (continued)

b. Strategies and activities for achieving objectives

Our primary activities are to support people with disabilities to achieve their potential through the direct provision of supported living services, registered care homes, community inclusion, and day opportunities. As at 31st March 2021, we were delivering c7,806 [20: 8,246] hours per week of support to 163 [20: 167] people in Shropshire, Telford, Walsall, Wolverhampton and Birmingham, 90 [20: 94] of whom live in our small care homes or their own home with us as the main support provider ("supported living") whilst the other 73 [20: 73] attend our day opportunity services. In March 2019 we successfully tendered for, and later transferred, the Shropshire Shared Lives scheme into Bethphage. 70 [20: 39+respite] people with learning disabilities, autism and mental health, live with 68 [20: 62] permanent or respite Shared Lives carers. The scheme provides valuable respite breaks for families and permanent Shared Lives carers and enables people to live and be involved in their local communities.

Bethphage's 2020 - 2024 strategic plan sets out the Charity's Key Strategies and Activities, and our Aims and Objectives of:

- Maintaining a strategic relationship with Commissioners
- Efficiency Improvement
- Improved Management Processes and Information
- Growth
- Improved Service Delivery

c. Public Benefit

We are confident our objectives and activities are beneficial to the people we support and of benefit to the public in general.

Our vision is of inclusive communities where all people have the opportunity to live the life they choose. We achieve this through our direct service delivery and through our support and contributions to the development of learning disability services in the UK.

We also promote the integration of people with learning disabilities into universal community services such as having equal access to health care, education, employment, sport, and leisure activities.

"We would like to thank all the support staff who have never missed taking M shopping right through the pandemic. We have been so very grateful for this wonderful support and cannot praise them enough for their kindness and patience. Very well done".

Parent - 2020

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

d. Service Quality

A fundamental part of Bethphage's approach is to continually strive to improve the quality of the services which we deliver and achieve better outcomes for the people we support (who are some of the most vulnerable in society). As well as statutory CQC inspections of both of our Registered Homes and four registered locations, from where we operate community services, Bethphage has a long-established internal quality audit system in place for all services. Each service is assessed against a range of quality and performance measures by the Quality Manager and areas of improvement identified and reported on to the area manager, service manager and staff, the Executive Management Team (EMT) and the Board. During the year the quality system has relied on online interviews with managers, desktop reviews of reporting and systems, surveys of service users, their families, and staff. Added to this, regular reporting from the Positive Behaviour Support Team and close monitoring of compliments and investigation of complaints, concerns and suggestions, has provided the Charity with additional layers of performance monitoring.

SURVEY QUOTES ABOUT THEIR SUPPORT:

"Staff always be there for me. With my appointments, my health when I need the Doctor".

"nice people", "they care about my wellbeing", "help me out", "good staff", "nice and kind", "I like the staff", "supportive and friendly" and "nice and reliable".

"They are fantastic with my confidence – I am very happy with my support".

"I get on well with them. They help me live in my home. They are kind".

"Funny, understanding, want the best for me".

Survey of People We Support - 2020

In addition, Bethphage operates an independent annual review of quality for each individual service, (with the involvement and consent of the people who use our services), to ensure that the voice of the people we support is heard at the highest levels of the Charity. The annual audit is a thorough and comprehensive review of the service provided at each location, the findings of which are reported to the Charity's board and EMT, evidencing culture and progress. Feedback from those we support and their families plays an integral role in getting beneath the surface of service delivery, ensuring internal views are accurate reflections.

Ongoing relevant and focussed staff training and development is a key part of ensuring that we have the resources available to deliver high quality services and to recognise when change or improvement is required. The majority of training has been moved online, with only essential training occurring face to face, and only when permitted.

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Objectives and activities (continued)

In 2018 Bethphage signed up to the STOMP initiative and continues to implement its principles. STOMP means stopping over medication of people with a learning disability, autism or both with psychotropic medicines. STOMP is a national project involving many different organisations that are helping to stop the over use of these medicines. STOMP is about helping people to stay well and have a good quality of life and ensuring that regular reviews of medication are undertaken for everyone we support. Our investment in Positive Behaviour Support (PBS) supports people with the ongoing management of behaviours of concern, for which medication would have been historically prescribed. The Quality Manager reports quarterly to the EMT and the Board and provides progress updates on how this initiative is affecting the wellbeing of the people we support. The Board are pleased to report further progress in the year, despite the challenges that restrictions have presented to users of services.

***An independent advocate said that she is
"Very happy with the care and safety provided
in the service at these Covid-19 times".***

Independent Advocate - 2020

e. Volunteers

Bethphage's greatest asset is its people and the Trustees, who are all volunteers, would like to thank the staff and volunteers for their continuous efforts to ensure that we deliver consistently high-quality, person-centred services in these very challenging times. In recent years, Bethphage has enjoyed the benefit of a steadily increasing number of volunteers, especially in the day opportunity services. Bethphage uses the time and enthusiasm contributed by volunteers to add value and opportunity to the beneficiaries of our services and not as a replacement for core funded staff. The Trustees wish to record their appreciation of Bethphage's volunteer supporters and the benefits they bring to the experiences of people using Bethphage services and to the success of the Charity. Bethphage Friends, a group established to increase engagement with our supporters and volunteers continues to grow.

Achievements and performance

a. Achievements and Performance

In 2020/21, we retained our existing contracts, consolidating and maintaining our current provision. Tendering for the Transforming Care work was a strategic decision in 2018/19. Bethphage has shown itself well placed to deliver this type of complex provision, with the knowledge, skills, and expertise across the organisation and in particular within our PBS team. Whilst our tender was the winning bid, delays in the start-up, outside our area of control, pushed the start dates into 2019/20. The delay provided additional time to maximise efforts to ensure a smooth and effective transition.

Our three day services, through which we provide opportunities for meaningful, person-centred day opportunities for adults with learning disabilities, prior to the lockdown continued to enable large numbers of people with a learning disability to access and benefit from Bethphage services and is consistent with our approach of enabling people to live the life they choose. For much of the year, the people we support could not access the services and the staff made regular contact with users of these services and their families, providing help to collect shopping and prescriptions and give any support they could over the phone or via digital communication. In addition, social media was used to maintain contact, share information and help people stay positive and upbeat.

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TRUSTEES' REPORT (CONTINUED)
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Achievements and performance (continued)

The current number of Care Quality Commission (CQC) registered locations is six. None of our service locations were inspected by CQC during the 2020 - 2021 financial year, but between November 2018 and May 2019 the five we had at that time were inspected. All of our registered homes and locations (offices) have been inspected and judged "good" in all areas in these inspections.

***"My son has been supported by yourselves for
a number of years. He has developed so, so
much because of all your hard work and
perseverance. Thanks!!!"***

Annual Family Survey - 2020

b. Transforming Care

Transforming Care is a national initiative developed in response to the Winterbourne View crisis in 2011. It resulted in Governmental pressure to move people out of ineffective and expensive institutions whilst providing people with the dignity, kindness, compassion, and opportunities to develop and grow with person centred support, thus reducing the focus on unnecessary and undignified physical interventions.

In 2018, Bethphage successfully tendered for an exciting opportunity to support people who had been placed in secure hospital accommodation out of county. The successful bid resulted in contracts to support two people in individual properties, giving them the opportunity to return to their previous home county, be closer to their families, and have an individual, person-centred support service. This has enabled them to develop and grow, with the support of a well-trained and effective staff team.

Bethphage's internal PBS team have been heavily involved in this work and their skills and knowledge have enhanced the support these two people receive and provided valuable training, support and reassurance to their support staff.

c. Fundraising

Bethphage is registered with the Fundraising Regulator and complies with the Code of Fundraising Practice. Community fundraising generally takes place face to face with the public at events and Bethphage open days etc, through donations via the Bethphage website, and from applications to trusts, foundations, and corporate partners. Third party organisations are not used to fundraise on behalf of Bethphage.

Fundraising and the approach to be used requires approval of the management of the Charity prior to commencing, the fundraising approach is monitored and funds are applied only to the purpose for which they were raised. Fundraising activities involving vulnerable people are restricted to small sums for subscriptions and similar items which represent fair value to them as individuals for the activity.

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Achievements and performance (continued)

d. Future Plans and Investment

The primary objective for the coming year is to promote the principles and five strategic goals of the four-year strategic plan "Building Resilience, Delivering Best Value", which outlines the approaches we will follow over the first two years of the plan to translate the mission, vision and core values of the charity into positive outcomes.

The detailed delivery objectives for 2021/2022 are aimed at positioning Bethphage to deal most effectively with the challenges that the sector will face as we emerge from the Covid-19 pandemic. Those objectives are focussed under five strategic headings:

- **Maintain a strategic relationship with commissioners**
- **Efficiency improvement**
- **Improved management processes and communication**
- **Growth**
- **Improved service delivery**

The availability of suitable high-quality accommodation remains a challenge and Bethphage will seek to invest further in suitable property as the opportunity arises.

A member of the public commented on social media that "I think you do an amazing, sometimes unrecognised role".

Member of the public - 2020

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Achievements and performance (continued)

Financial review

a. Overview

The Low Pay Commission recommendation, in its report 'The National Living Wage beyond 2020', sets a target of a National Living Wage at 66.7% of the median hourly earnings. This, combined with the ongoing limitations of available public funding continue to necessitate careful stewardship of our charitable resources. Costs have also increased as a result of an increase in employer contributions towards employee pension schemes. In 2019/20, none of our commissioners were able to match the 4.9% increase in the national living wage and the same excess of cost pressure over increased funding is expected to continue. In 2021/22 the National Minimum Wage increase is 2.2%. However, for the work our frontline staff do in supporting vulnerable adults with significant health and social care needs, we believe it is insufficient to pay people with the responsibilities expected of them the NMW. Therefore, our intention is to increase pay for all support workers by a minimum of 3.2% in 2021-22.

We continue to balance the competing priorities of:

- Competition with sustainability
- Price with quality
- Provider of choice with employer of choice.

In February 2019, Unison was granted permission by the Supreme Court for an appeal against the Court of Appeal judgment in respect of payments for staff undertaking "sleep in" duties. That appeal was dismissed by the Supreme Court in a decision that was handed down on 19 March 2021. Although the decision removes any possible liability for historic backpay of wages, it presents providers and commissioners with the difficulty of how to pay for sleep in shifts going forward. Our largest commissioner has indicated that they do not wish to destabilise the care sector workforce and do not envisage making any changes in payment arrangements until April 2022. In the meantime, they intend consulting with providers on the best route forward.

Although the Trustees believed that any award of backpay created by the Supreme Court upholding the appeal was the responsibility of the Government, it determined in 2018 that a substantial provision should be created over multiple years in order to meet a liability which it estimated at the time could approach £1million. This decision was based on the risk that the charity would in the first instance be liable for any payments to staff and would only be able to make a claim to recover those amounts retrospectively. The dismissal of the appeal enables the release of that substantial multi-year provision and results in a surplus for the year of £760,650 (2020: £252,927, which was prior to the write off of £57,500 relating to unrecoverable VAT on the purchase of the Head Office building).

The underlying trading for the year was very significantly affected by increased costs of working for example PPE, IT equipment etc. and by support hours provided – particularly in our Day Services. In addition, significant staff shortages and increased costs occurred as staff members were forced to self-isolate and the availability of temporary agency staff was scarce. As well as thanking our staff throughout the organisation who rose to these challenges, we would also like to thank our Commissioners for their support during the year. Their approach in providing grants to support increased infection control measures and continuing existing payment schedules for services has ensured that the Charity has been able to focus on delivering support to extremely vulnerable people in what have been extremely challenging circumstances.

The Trustees are particularly thankful for the efforts of the senior management of Bethphage who prepared the Charity to deal with the Covid-19 pandemic during the year. In the coming year the Trustees expect that many of the increased costs of working will remain e.g. costs of testing, PPE, staff self-isolations etc. The focus of the first stage of the four-year strategic plan is designed to ensure that the organisation is able to deal with these challenges.

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TRUSTEES' REPORT (CONTINUED)
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Financial review (continued)

b. Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that Bethphage 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.

c. Reserves Policy

The Trustees have considered the operational environment and the opportunities and threats to the organisation in terms of development, contractual variations, tendering processes, and competitor activity. The Trustees' Reserves Policy balances levels of risk, the liabilities of the Charity, and our ability to invest in new service development. At the year-end we held free reserves of £1,494,873 (2020: £803,792) applied for the purposes of day to day working capital, which is sufficient working capital for our needs taking into consideration the payment terms of our contracts and foreseeable risks.

Given the uncertainty, the Trustees consider that their prudent approach to the holding of free reserves to be appropriate for the scale of the risks encountered.

d. Principal funding sources

The vast majority of our funding during the year came from statutory sources with the following local authorities commissioning services: Birmingham City Council, Shropshire Council, Telford & Wrekin Council, Walsall Council, and Wolverhampton City Council. Income comes in the form of block grants, individual service contracts, supported living funds, and support purchased through Individual Budgets and Direct Payments. A small amount of income comes from private funding. We recognise the pressures that these key stakeholders must operate under and strive to make the working relationships as cost effective and efficient as possible.

With the increasing limitations of local authority funding, we are also now considering other voluntary grants, fund raising opportunities, and the role of volunteers. The increase in our day service operations prior to the pandemic has been severely curtailed during the year. We are grateful for the support of our Commissioners which will enable day services to fully resume once conditions permit.

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Financial review (continued)

e. Investment Policy

Having regard to the requirement to maintain sufficient reserves and cash balances to cover potential variations in cash flow, surplus cash balances are placed on deposit with our bankers. As part of the Strategic Plan 2020-2024 the Trustees intend to invest in the ownership of residential property relevant to the charity's activities. During the year Bethphage invested and completed works in a new Head Office facility to provide not only higher quality accessible office space, but also to provide facilities for meetings and training for both staff and people we support after the pandemic. The Head Office investment will substantially reduce annual expenditure on rental costs. Bethphage's investment in property combines the purpose of achieving a return on our reserves with investing in and providing support and resources to reduce the costs of meeting our charitable objectives. A key principle of our investment in residential property is that the tenants should be able to choose who provides their support services, irrespective of who ultimately owns the property. The need to ensure adequate working capital for operations and growth together with the desire to generate returns from positive cash balances, whilst minimising risk to capital, is kept under review.

A social worker reported that: "A parent said that without Bethphage help and support throughout the lockdown they would not be able to have continued." The parent had been shielding and had no family locally who could help.

Social Services - 2020

Structure, governance and management

a. Constitution

Bethphage is a charitable company limited by guarantee, incorporated on 26 September 1994, and registered as a charity on 4 May 1995. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

b. Recruitment and appointment of Trustees

New Trustees are recruited through open processes (e.g. advertisements) or by invitation. Applicants are required to meet the people we support, staff and Trustees and demonstrate how their motivation, skills, and experience match the culture, needs and practice of the charity. This process was modified during the pandemic with meetings with staff and Trustees occurring online and visits to meet service users postponed until it is safe to do so.

Under the requirements of the Memorandum and Articles of Association one third of the members of the Board (Trustees) retire and may offer themselves for re-election at each AGM.

In appointing Trustees Bethphage maintains a mix of skills on the Board, including financial, legal, human resources, strategic, marketing and health and social care management. As we continue to grow or diversify, the Board will review, at least annually, its skills mix and seek additional Trustees when it identifies gaps. We are currently seeking to recruit an additional Trustee with a legal or accountancy background. Whilst appointment on merit is our primary concern, we are also keen to ensure we are representative of the communities in which we operate. Our gender balance is satisfactory, and whilst under representative of younger people and people from black, Asian and minority ethnic communities it is largely representative of the workforce and service users.

c. Induction and training of Trustees

New Trustees are provided with a tour of our services, when safe to do so, in order to understand more fully the operations of the organisation. They are also invited and encouraged to attend a series of short introductory sessions with the Chair, other Trustees and senior managers to familiarise themselves with the Charity and the context within which we operate.

In addition, various Charity Commission publications including the Commission's guide "the Essential Trustee" are distributed to all new Trustees. Trustees also receive the bimonthly magazine "Governance & Leadership" and Trustees are expected to devote time to attend briefings by our auditors and other charity specialists.

The Board also receives regular presentations by Bethphage managers and other experts in the sector.

d. Pay policy for senior staff

The pay of the EMT is reviewed annually and normally increased in accordance with average earnings.

In 2019/20 an extensive pay review exercise was conducted by external consultants to ensure that pay at all levels of the organisation was in line with current market expectations for the job content, responsibilities, and geographic location of the place of work. A further review will be undertaken in 2021/22.

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Structure, governance and management (continued)

e. Decision making

The Trustee Board meets quarterly and is responsible for the strategic direction, financial viability, compliance, risk management, and governance of Bethphage. Senior managers including the Chief Executive Officer (CEO) and EMT also attend for the majority of most meetings, but do not have voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of services rests with the CEO along with the EMT comprising Heads of Operations, Finance and Human Resources (HR) and the Finance, Service Development and Quality Managers all of whom attend Board meetings.

The Trustees have adopted the Charity Commission Governance Code and used it to review their performance. Irena Sobolewska and Derek Lum have served as Trustees since 2001 and 2002 respectively. Whilst the Board are very aware of the need to ensure that it does renew itself over time, and takes steps to do so, it is also cognisant of the need to ensure that appropriately skilled people are both available and willing to serve as Trustees. As each long serving Trustee retires by rotation, the Board considers whether it is in the interests of Bethphage to invite them to offer themselves for re-election to the Board. The Board would not hesitate to recommend to the members that a Trustee should not be reappointed if it believed that reappointment was not in the interests of Bethphage. The current composition of the Board provides a good blend of continuity, freshness, enthusiasm and energy.

f. Risk management

The Trustees have conducted a review of the major risks to which the Charity is exposed. The risk register is part of an established system and it is reviewed and updated by the EMT at least quarterly and any changes reported to the Board. The Board receive an updated risk register in advance of each meeting and review it in more detail at least annually. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure the health and safety of the people we support, staff and visitors. Where appropriate, systems or procedures have been established to manage the risks the Charity faces, including those presented by a pandemic or major disaster.

The major risks to the organisation at the end of the year are:

- Covid-19 pandemic risks to both people who use our services and staff
- Financial pressures on our Commissioners
- Additional cost increases to comply with National Minimum Wage regulations, employer's pension contributions, future sleep-in payments, and the uncertainty regarding future funding by Commissioners
- The limitation of resources available to the local authorities who fund our work which will be exacerbated by the Covid-19 pandemic
- The challenge of maintaining a sufficiency of high-quality staff in the current economic climate, and during the Covid-19 pandemic
- The risk of losing key personnel
- Economic pressure.

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Structure, governance and management (continued)

g. Remuneration equality

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on 6th April 2017. These regulations require employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. The requirement applies to Bethphage.

The figures must be calculated using a specific reference date each year, called the 'snapshot date'. The snapshot date is 5 April for businesses and charities and the data must be published within a year of the snapshot date. Bethphage published its first gender pay gap report on 4th April 2018 and its latest report on 23rd March 2021.

The regulations require employers to calculate specified information and publish the information on the employer's website and on a designated government website at www.gov.uk/genderpaygap.

The Gender Pay Gap differs from equal pay:

Equal Pay – Bethphage pays the same rates to men and women who carry out the same jobs in accordance with the law.

The gender pay gap shows the differences in average pay for men and women. A number of factors influence this including seniority and the number of hours worked.

The Gender Pay Results for 5 April 2020:

Based upon the snapshot date, Bethphage does not have a gender pay gap. Our female and male colleagues were paid the same on the snapshot date.

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

Partnerships, key alliances and regulatory bodies

Bethphage is a registered provider with the CQC. The CQC requirements place a high-level duty of care upon providers to ensure that services are delivered against benchmarked standards. We work within the appropriate regulations and legislation and align our internal quality processes, policies and procedures with them.

We recognise the importance of strategic and operational partnerships in the communities in which we operate. We have played an active role in relevant local provider forums across Shropshire, Telford, and the West Midlands and in contributing to national initiatives.

The people who use our services are our most important stakeholder and this is reflected in a range of initiatives across the organisation including:

- User led Quality Assurance through the Q Team Checkers (now independently managed by a local advocacy organisation)
- Positive Behaviour Support
- Person Centred Approaches
- Surveys of the people who use our services, families, staff and managers
- Annual quality audits to check and ensure the services we provide continue to deliver good outcomes for the people we support
- Management visits and reviews to check and monitor service delivery on a monthly basis
- Investment in staff development to support staff through areas of difficulty and to develop them into the best support workers they can be
- Presentations at the AGM of Directors and members, and at our Annual Staff Conference.

During the past year the 'in person' elements of these processes have been significantly reduced or eliminated and, where possible, replaced by telephone and online meetings. As it becomes safe to resume in person visits, they will, where appropriate be re-instated.

Membership

We are fortunate to have two organisational members – Mosaic and the Council of Lutheran Churches. Mosaic, the founder member, has played a crucial role in our development. As a leading service provider in the field of disabilities in the USA, Mosaic has extensive experience and resources that we have been able to call upon.

Members attend the AGM and sometimes contribute in between meetings as required. We value the engagement of our two members and thank them for another year of valued contribution.

The extent of the involvement and support of our two corporate members has enabled the Charity to attract and retain Trustees of a high calibre, professional expertise and experience necessary to enable the organisation to develop and grow successfully and consistently.

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Engagement with employees and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. We carry out exit interviews for all staff leaving the organisation and have adopted a procedure of upward feedback for senior management and the Trustees. We have implemented and regularly review a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Charity's equal opportunities policy, the Charity has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity 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 . Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Members.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Derek Lum
Chair of Trustees
Date: 21 September 2021

BETHPHAGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BETHPHAGE

Opinion

We have audited the financial statements of Bethphage (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2021 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 Charities Act 2011.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

BETHPHAGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BETHPHAGE (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

BETHPHAGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BETHPHAGE (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the susceptibility of the Charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Charity and its environment and identify any instances of non-compliance.
- We also assessed the Charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Charity awareness to carry out our work to the required standard.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

BETHPHAGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BETHPHAGE (CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



WR Partners

Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

22 September 2021

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

BETHPHAGE
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	310,095	48,015	358,110	24,297
Charitable activities	5	8,674,206	-	8,674,206	7,727,507
Investments	6	4,562	-	4,562	6,934
Total income		8,988,863	48,015	9,036,878	7,758,738
Expenditure on:					
Raising funds	7	-	11,763	11,763	6,309
Charitable activities	8	8,264,465	-	8,264,465	7,499,502
Total expenditure		8,264,465	11,763	8,276,228	7,505,811
Net income		724,398	36,252	760,650	252,927
Transfers between funds	16	(1,138)	1,138	-	-
Net movement in funds before other recognised gains/(losses)		723,260	37,390	760,650	252,927
Other recognised gains/(losses):					
Exceptional item fixed asset impairment		-	-	-	(57,500)
Net movement in funds		723,260	37,390	760,650	195,427
Reconciliation of funds:					
Total funds brought forward	16	2,125,967	14,524	2,140,491	1,945,064
Net movement in funds		723,260	37,390	760,650	195,427
Total funds carried forward		2,849,227	51,914	2,901,141	2,140,491

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 44 form part of these financial statements.

BETHPHAGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02971171

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	754,354	822,175
		754,354	822,175
Current assets			
Debtors	14	710,815	1,155,713
Cash at bank and in hand		3,545,886	2,115,907
		4,256,701	3,271,620
Creditors: amounts falling due within one year	15	(2,109,914)	(1,953,304)
Net current assets		2,146,787	1,318,316
Total net assets		2,901,141	2,140,491

BETHPHAGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02971171

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	16	51,914	14,524
Unrestricted funds	16	2,849,227	2,125,967
Total funds		2,901,141	2,140,491

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.


The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Derek Lum
Chair of Trustees
Date: 21 September 2021

The notes on pages 28 to 44 form part of these financial statements.

BETHPHAGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	18	1,460,592	150,574
Cash flows from investing activities			
Dividends, interests and rents from investments		4,562	6,934
Purchase of tangible fixed assets		(35,175)	(307,285)
Proceeds from sale of investments		-	317
Net cash used in investing activities		(30,613)	(300,034)
Change in cash and cash equivalents in the year		1,429,979	(149,460)
Cash and cash equivalents at the beginning of the year		2,115,907	2,265,367
Cash and cash equivalents at the end of the year	19	3,545,886	2,115,907

The notes on pages 28 to 44 form part of these financial statements

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The Charity is a company limited by guarantee, incorporated in England. The address of its registered office is included within the reference and administrative details.

The members of the company are the Council of Lutheran Churches and Mosaic. 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the second edition Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Bethphage meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements as explained in the Trustees' Report. The Trustees have also assessed the potential impact on the future operations of the Charity with regard to the Covid-19 outbreak. The Charity is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The Charity's activity is supporting people with disabilities.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

The volunteers' time is not recognised in the accounts. Refer to the Trustees Report for more information of their general contribution.

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and in those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.6 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 institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight-line
Long-term leasehold property	- Straight-line over the life of the lease
Motor vehicles	- 3 years straight-line
Fixtures and fittings	- 3 to 10 years straight-line

Land is not depreciated.

Components of the freehold properties including bathrooms and kitchens have been depreciated from 1 April 2018 on a 10% straight line basis.

Assets relating to contracts are depreciated over the length of the contracts where the asset belongs to the contract and cannot be sold or disposed of by Bethphage to realise any residual value.

2.8 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.

2.9 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.

2.10 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. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.13 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

The Charity also contributes to the Shropshire LGPS pension scheme for qualifying employees. This is treated as a defined contribution scheme as the assets and liabilities of the scheme remain with Shropshire Council and Bethphage are only liable for the contributions. The employer contributions are set by Shropshire LGPS.

2.14 Fund accounting

General funds are unrestricted funds which 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations	5,806	13,015	18,821	24,297
Other grant income	304,289	35,000	339,289	-
Total 2021	310,095	48,015	358,110	24,297
<i>Total 2020</i>	<i>18,381</i>	<i>5,916</i>	<i>24,297</i>	

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Support Services	8,287,893	8,287,893	7,727,507
Sleep in provision	386,313	386,313	-
Total 2021	8,674,206	8,674,206	7,727,507
<i>Total 2020</i>	<i>7,727,507</i>	<i>7,727,507</i>	

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income	4,562	4,562	6,934
Total 2021	<u>4,562</u>	<u>4,562</u>	<u>6,934</u>
<i>Total 2020</i>	<u>6,934</u>	<u>6,934</u>	

7. Expenditure on raising funds

Costs of raising voluntary income

	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Expenditure on raising voluntary income	11,763	11,763	6,309
Total 2021	<u>11,763</u>	<u>11,763</u>	<u>6,309</u>
<i>Total 2020</i>	<u>6,309</u>	<u>6,309</u>	

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Support Services	8,264,465	8,264,465	7,499,502
Total 2021	<u>8,264,465</u>	<u>8,264,465</u>	<u>7,499,502</u>
<i>Total 2020</i>	<u>7,499,502</u>	<u>7,499,502</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Support Services	7,477,826	786,639	8,264,465	7,499,502
Total 2021	<u>7,477,826</u>	<u>786,639</u>	<u>8,264,465</u>	<u>7,499,502</u>
<i>Total 2020</i>	<u>6,688,885</u>	<u>810,617</u>	<u>7,499,502</u>	

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Support Services 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	7,039,087	7,039,087	6,323,521
Service user and Accommodation costs	330,283	330,283	232,657
Administration and Other Staff costs	108,456	108,456	132,707
Total 2021	<u>7,477,826</u>	<u>7,477,826</u>	<u>6,688,885</u>
<i>Total 2020</i>	<u>6,688,885</u>	<u>6,688,885</u>	

Analysis of support costs

	Support Services 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Staff costs	348,310	348,310	365,620
Other Support costs	419,699	419,699	418,309
Governance costs	18,630	18,630	26,688
Total 2021	<u>786,639</u>	<u>786,639</u>	<u>810,617</u>
<i>Total 2020</i>	<u>810,617</u>	<u>810,617</u>	

10. Auditors' remuneration

	2021 £	<i>2020 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	7,315	7,160
Fees payable to the Charity's auditor in respect of: Preparation of the Charity's annual accounts	<u>1,260</u>	<u>1,215</u>

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11. Staff costs

	2021 £	2020 £
Wages and salaries	6,745,024	6,108,564
Social security costs	470,197	409,526
Contribution to defined contribution pension schemes	172,176	171,051
	<u>7,387,397</u>	<u>6,689,141</u>

During the year, £22,000 has been paid out in redundancies (2020: £Nil).

The average number of persons employed by the Charity during the year was as follows:

2021 No.	2020 No.
<u>320</u>	<u>308</u>

No employee received remuneration amounting to more than £60,000 in either year.

During the year key management personnel received total remuneration and benefits of £333,352 (2020: £288,579).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £1,462, made payable to 3 Trustees).

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13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2020	757,895	13,065	64,043	201,739	1,036,742
Additions	-	-	-	35,175	35,175
Disposals	-	-	-	(661)	(661)
At 31 March 2021	757,895	13,065	64,043	236,253	1,071,256
Depreciation					
At 1 April 2020	26,454	12,920	34,662	140,531	214,567
Charge for the year	15,513	145	8,050	29,288	52,996
On disposals	-	-	-	(661)	(661)
Impairment charge	50,000	-	-	-	50,000
At 31 March 2021	91,967	13,065	42,712	169,158	316,902
Net book value					
At 31 March 2021	665,928	-	21,331	67,095	754,354
At 31 March 2020	731,441	145	29,381	61,208	822,175

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	449,259	975,104
Other debtors	167,881	83,559
Prepayments and accrued income	93,675	97,050
	710,815	1,155,713

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15. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	109,834	149,326
Other taxation and social security	220,293	203,220
Other creditors	1,408,917	1,076,017
Accruals	195,350	60,877
Deferred income	175,520	463,864
	2,109,914	1,953,304

Included within accruals and deferred income are the following deferred income balances which relate to contracts where, due to changes in the service needs, we have set aside funds for future use.

	2021	2020
	£	£
Deferred income at 1 April 2020	463,864	465,379
Resources deferred during the year	175,520	463,864
Amounts released from previous periods	(463,864)	(465,379)
	175,520	463,864

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
Designated funds					
Innovation and Development Fund	500,000	-	-	-	500,000
Infection Control and Rapid Testing protection measures	-	-	-	100,000	100,000
	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>600,000</u>
General funds					
General Funds - all funds	1,625,967	8,988,863	(8,264,465)	(101,138)	2,249,227
	<u>1,625,967</u>	<u>8,988,863</u>	<u>(8,264,465)</u>	<u>(101,138)</u>	<u>2,249,227</u>
Total Unrestricted funds	<u>2,125,967</u>	<u>8,988,863</u>	<u>(8,264,465)</u>	<u>(1,138)</u>	<u>2,849,227</u>
Restricted funds					
Restricted Funds - all funds	14,524	48,015	(11,763)	1,138	51,914
	<u>14,524</u>	<u>48,015</u>	<u>(11,763)</u>	<u>1,138</u>	<u>51,914</u>
Total of funds	<u>2,140,491</u>	<u>9,036,878</u>	<u>(8,276,228)</u>	<u>-</u>	<u>2,901,141</u>

The Innovation and Development fund is held to fund the purchase of a third home for the people of the Charity; business development and sustainability projects, and increased costs of working due to Covid-19 impact. There has been no movement on the designated fund during the year as the designated fund is intended to be carried forward whilst a search for a suitable property continues.

The Restricted funds include funding received (net of expenditure) for specific projects and ongoing projects such as Club Generation funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>As restated Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds					
Designated funds					
Innovation and Development Fund	500,000	-	-	-	500,000
General funds					
General Funds - all funds	1,430,147	7,752,822	(7,499,502)	(57,500)	1,625,967
Total Unrestricted funds	1,930,147	7,752,822	(7,499,502)	(57,500)	2,125,967
Restricted funds					
Restricted Funds - all funds	14,917	5,916	(6,309)	-	14,524
Total of funds	1,945,064	7,758,738	(7,505,811)	(57,500)	2,140,491

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	754,354	-	754,354
Current assets	4,204,787	51,914	4,256,701
Creditors due within one year	(2,109,914)	-	(2,109,914)
Total	2,849,227	51,914	2,901,141

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	822,175	-	822,175
Current assets	3,257,096	14,524	3,271,620
Creditors due within one year	(1,953,305)	-	(1,953,305)
Total	<u>2,125,966</u>	<u>14,524</u>	<u>2,140,490</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	<u>760,650</u>	<u>252,927</u>
Adjustments for:		
Write off of irrecoverable VAT on property purchase	-	(57,500)
Depreciation charges	52,996	52,879
Dividends, interests and rents from investments	(4,562)	(6,934)
Decrease/(increase) in debtors	444,898	(133,762)
Increase in creditors	156,610	42,964
Fixed asset impairment	50,000	-
Net cash provided by operating activities	<u>1,460,592</u>	<u>150,574</u>

19. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>3,545,886</u>	<u>2,115,907</u>
Total cash and cash equivalents	<u>3,545,886</u>	<u>2,115,907</u>

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20. Analysis of changes in net debt

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	2,115,907	1,429,979	3,545,886
	<u>2,115,907</u>	<u>1,429,979</u>	<u>3,545,886</u>

21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity and in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £172,063 (2020: £171,051). Contributions totalling £63,987 (2020: £60,407) were payable to the fund at the balance sheet date.

22. Operating lease commitments

At 31 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	15,516	15,516
Later than 1 year and not later than 5 years	30,411	45,927
	<u>45,927</u>	<u>61,443</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2021 £	2020 £
Operating lease rentals	15,516	9,346

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23. Related party transactions

During the financial year Bethphage acquired services totalling £5,951 (2020: £15,138) from Shropshire Partners In Care. At the year end there was a balance of £400 (2020: £408) owing to Shropshire Partners In Care.

Laura Vernon (resigned as Trustee in September 2020) is an employee of Trowers & Hamlins. During the financial year Bethphage acquired services totalling £6,355 (2020: £8,150) from Trowers & Hamlins. At year end there was £700 (2020: £6,445) owing to Trowers & Hamlins.

All of these transactions have been conducted on an arm's length basis inder normal commercial terms.