

BETHPHAGE

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**



BETHPHAGE
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 17
Independent Auditors' Report on the Financial Statements	18 - 21
Statement of Financial Activities	22
Balance Sheet	23 - 24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 41

BETHPHAGE
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees	Derek Lum, Chair Irena Sobolewska, Vice Chair Anthony Charles Aston Ruth Houghton Anna Krauss (appointed 10 May 2021)
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

BETHPHAGE
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Senior management team	Stefanie Kay, Chief Executive Officer Alice Blakeman, Service Development Manager Helen Nickless, Head of Operations Martin Dean, Finance Manager Clare Shaw, Quality Manager Chris Stephens, Head of Finance and IT Stuart Wheeler, Head of Human Resources
Honorary President	Donna Werner
Members	Mosaic Council of Lutheran Churches

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of Bethphage for the year 1 April 2021 to 31 March 2022. 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

The year was dominated by the continuing Covid-19 restrictions and guidance, and minimising any adverse impact of these on the lives of the people we support. As restrictions have been removed our priority remains the safety and well being of people we support and staff.

The outlook for the coming year is a lot more positive, in respect of Covid-19, but the economic impact of the pandemic and Brexit changes are looming large for the sector. Although there has been much talk of 'properly funding social care' by the Government, to date the burden of this appears to remain squarely with Local Authorities.

The Board know how vital our staff are in delivering our services. But, again 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.

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.

During Covid 19 survey responses:

Out of 5, with 5 being excellent and 1 being poor, please can you tell us how you think we have performed, given the circumstances?

Survey responses:

80% excellent

12% very good

8% average

Families survey: People in supported living/residential care - 2021

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

Our Values: We seek to deliver services based on four core values. These core values really shape how we work and make a positive difference to the quality of life for the people we support:



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)'.

At our AGM in October 2021 the Board were delighted to re-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 continued to implement its Strategic Plan for 2020 – 2024 which, because of Covid-19 and the likely changing financial landscape, was separated into two parts:

- 2020 - 2022
- 2022 - 2024

The first part of the plan is entitled 'Building Resilience and delivering Best Value' and lays out the actions and investment plans designed 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. At the time of developing the plan we hoped that the second part would begin after 2022. However, the board recognised in that plan that it was likely that the start of the second part might actually be rather later, and very much dependent on economic climate improvement.

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

***In response to being asked:
What you think about the staff who support you,
people commented that staff are "nice", "ace",
"friendly", "kind", "brilliant", "talk to me
nicely", "helpful", "make sure I am healthy" and
"they do a good job".***

Families survey: People in supported living/residential care - 2021

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 two years are being 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 are being 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 are on-going during the year, and this is likely to be an area of continuing interest in the future.

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 2022, we were delivering 7,862 hours per week of support to 155 people in Shropshire, Telford, Walsall, Wolverhampton and Birmingham, 93 of whom live in our small care homes or their own home with us as the main support provider ("supported living") whilst the other 62 attend our day opportunity services. The Shropshire Shared Lives scheme managed by Bethphage has progressed well with standards continuing to improve as measured by our internal quality scores and by the 2022 CQC inspection rating of 'Good' in all domains. 58 people with learning disabilities, autism and mental health live with 53 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

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

c. Public Benefit

We are confident our objectives and activities are beneficial to the people we support as well as being 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 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 are full of admiration at how staff have
coped with a difficult year and have evolved the
service to suit the challenging circumstances"***

Day Services Family Feedback - 2021

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 to achieve better outcomes for the people we support (who are some of the most vulnerable in society). As well as statutory Care Quality Commission (CQC) inspections of both of our Registered Homes, and four other registered locations, from where we operate community and our Shared Lives 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 the people we support, 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.

***"People told us they were treated with dignity
and respect and carers understood the
importance of privacy. One carer told us the
person who lived with them went to their room
when they wanted some privacy but liked to
spend most of their time with the family."***

CQC Inspection - 2022

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

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 remains online, but with essential training occurring face to face.

In 2018 Bethphage signed up to the STOMP initiative and continues to implement its principles. STOMP means stopping the over medication of people with a learning disability, autism or both with psychotropic medicines. STOMP was a national project involving many different organisations that are helping to stop the over use of these medicines. The STOMP initiative was aimed at helping people to stay well and have a good quality of life and ensuring that regular reviews of medication were undertaken for everyone supported. 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 principles of STOMP and the monitoring of medical reviews have been incorporated into Bethphage's recently implemented organisation wide Care Management IT system, which provides much greater visibility on medication reviews and the use of psychotropic medication. The Quality Manager reports quarterly to the EMT and the Board and provides progress updates on how the outcomes of the STOMP initiative principles 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 the people we support. Bethphage's Health Improvement Lead has played a vital role throughout the Covid-19 pandemic, implementing Covid-19 protocols and advising staff, in addition to the normal responsibilities of supervising medication procedures, and improving the health and well-being of the people we support.

People who used the service told us how happy they were living with their carers. One person told us, "I have a great life, I'm very happy and very busy."

CQC Inspection - 2022

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

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.

f. Sustainability

In keeping with many other organisations Bethphage is conscious of its impact on the environment and in particular its energy consumption in the process of delivering services. Work has started to examine the organisation's carbon footprint and to develop strategies to reduce Bethphage's environmental impact. The reduction in face to face meetings and the installation of solar panels on the roof of the head office building, together with waste reduction and recycling, are tangible outcomes from the first phase of this work.

Achievements and performance

a. Achievements and Performance

In 2021/22, we retained our existing contracts, consolidating and maintaining our current provision. Our three, day opportunity locations, through which we provide meaningful, person centred day opportunities for adults with learning disabilities prior to the lockdown, continue to enable large numbers of people with a learning disability to access and benefit from Bethphage services consistent with our approach of enabling people to live the life they choose. For periods of the year, the people we support could not access the buildings and therefore 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. During these periods social media was used to host events, deliver support, maintain contact, share information and help people stay positive and upbeat.

The current number of Care Quality Commission (CQC) registered locations is six. One location was inspected by CQC during the 2021-2022 financial year and rated Good, maintaining the total of 6 locations, all registered Good across all domains.

"We are very impressed with the service provided. Communication is excellent and staff have tried really hard during this difficult time. The whole environment is successful in building confidence and making individuals feel valued".

Day Services Family Feedback - 2021

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

b. 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 concerned

c. 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.

***In response to being asked:
What you like most about your support people
commented that "I am treated like an adult", "I
get help", "I feel at home", "Being part of a
family and having my own space", "Seeing my
friends", "She's great", "Lovely", "Good to talk
to – always there", "My support allows me to be
independent and do the things I enjoy", "Like
the meals", "Feel, safe and secure."***

Shared Lives Service 2021 Survey - 2021

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 (NLW) at 66.7% of the median hourly earnings by 2024, which would give a rate of £10.50/hr based on current forecasts. This, combined with the ongoing limitations of available public funding continue to necessitate careful stewardship of our charitable resources. Costs for 2022-23 are also increasing due to the introduction of the Health & Social Care Levy, increasing National Insurance rates by 1.25%. In 2022/23 the NLW increase is 6.62% but none of our commissioners were able to match this increase with fee uplifts ranging from 2.3% to 6.6%, with an overall average increase of 4.95%. However, for the work our frontline staff do in supporting vulnerable adults with significant health and social care needs we believe it is important we pay as much as we can, subject to the limitations imposed by inadequate uplift settlements. Therefore, our intention is to increase pay for all support workers by an average of 5.1% in 2022-23.

We continue to balance the competing priorities of:

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

Following the Supreme Court decision on 'sleep in' payments in March 2021 commissioners have either remained silent on future payment arrangements or moved to a flat rate approach. Most providers appear to have adopted a flat rate approach and we will be moving to that approach, matching competitor rates, during 2022-23.

As reported last year the decision of the Supreme Court to reject the appeal concerning payments for sleep in duties resulted in the release of that substantial multiyear provision for a liability which the trustees believed was the responsibility of the Government, which significantly enhanced the 2021 surplus. During the year significant investment was made in the first stage of the Strategic Plan (Building Resilience, Delivering Best Value). These investments included significant upgrades to organisation wide IT systems together with the associated training costs. After these investment costs, the results for 2022 show a £236,214 surplus (2021: £760,650).

The underlying trading for the year was very significantly affected by increased costs of working for example PPE, IT equipment etc. and by reduced support hours provided – particularly in our Day Services. Although the Government contributed to Covid-19 Infection Control Management through one off grants, these did not cover the full costs to manage and track staff mandatory testing. 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. The infection control protocols also prevented staff working across services, this making the utilisation of agency staff similarly challenging.

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 provided continued focus to enable 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 selfisolations etc. The focus of the first stage of the fouryear strategic plan is designed to ensure that the organisation is able to deal with these challenges.

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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 £1,069,118 (2021: £1,494,873) 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 enabled day services to fully resume when conditions permitted.

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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.

"We saw carers effectively supported people to share their views during video calls with us and this discreet support meant people were able to share stories and experiences with us".

CQC Inspection - 2022

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.

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 people we support postponed until 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 reelection 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 users of services

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

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. The 2019/20 extensive pay review exercise 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, was updated in 2021/22.

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 reelection to the Board. The Board would not hesitate to recommend to the Members that a Trustee should not be reappointed if it believed that was not in the interests of Bethphage. The current composition of the Board provides a good blend of continuity, freshness, enthusiasm and energy.

BETHPHAGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

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, employer's national insurance increases, 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 have been exacerbated by the Covid-19 pandemic
- The challenge of maintaining a sufficiency of high quality staff in the current economic climate
- The risk of losing key personnel
- Economic pressure.

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 the 2nd of February 2022.

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 2021:

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 2022

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 some of the 'in person' elements of these processes have been significantly reduced or eliminated and, where possible, replaced by telephone and online meetings. As it has become safer to resume some in person visits, they have been reinstated.

In the coming year Bethphage aims to bring more focus to the development of its Social Values plan. We envisage four main areas of focus:

- Jobs/local skills and employment
- Growth – support growth of responsible regional business
- Social – Healthier, safer and more resilient communities
- Environmental impact

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 2022

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 year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 2022

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: 9 September 2022

BETHPHAGE
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BETHPHAGE

Opinion

We have audited the financial statements of Bethphage (the 'charitable company') for the year ended 31 March 2022 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 2022 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

BETHPHAGE
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 TRUSTEES 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:

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the Charitable Company and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the Charity Company is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed board minutes to identify any recorded instances of irregularity or non compliance that might have a material impact on the financial statements.

We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 TRUSTEES 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

WR Partners

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

Date:

23rd September 2022

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 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Income from:					
Donations and legacies	4	279,207	11,805	291,012	358,110
Charitable activities	5	8,804,991	1,975	8,806,966	8,674,206
Investments	6	5,246	-	5,246	4,562
Total income		9,089,444	13,780	9,103,224	<i>9,036,878</i>
Expenditure on:					
Raising funds	7	-	5,396	5,396	11,763
Charitable activities	8	8,835,033	26,581	8,861,614	8,264,465
Total expenditure		8,835,033	31,977	8,867,010	<i>8,276,228</i>
Net movement in funds		254,411	(18,197)	236,214	<i>760,650</i>
Reconciliation of funds:					
Total funds brought forward		2,849,227	51,914	2,901,141	2,140,491
Net movement in funds		254,411	(18,197)	236,214	760,650
Total funds carried forward		3,103,638	33,717	3,137,355	<i>2,901,141</i>

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

The notes on pages 26 to 41 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	734,520	754,354
		<u>734,520</u>	<u>754,354</u>
Current assets			
Debtors	14	1,062,548	710,815
Cash at bank and in hand		4,074,584	3,545,886
		<u>5,137,132</u>	<u>4,256,701</u>
Creditors: amounts falling due within one year	15	(2,541,128)	(2,109,914)
Net current assets		<u>2,596,004</u>	<u>2,146,787</u>
Provisions for liabilities	16	(193,169)	-
Total net assets		<u><u>3,137,355</u></u>	<u><u>2,901,141</u></u>
Charity funds			
Restricted funds	17	33,717	51,914
Unrestricted funds	17	3,103,638	2,849,227
Total funds		<u><u>3,137,355</u></u>	<u><u>2,901,141</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

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: 9 September 2022

The notes on pages 26 to 41 form part of these financial statements.

BETHPHAGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	19	559,145	1,460,592
Cash flows from investing activities			
Dividends, interests and rents from investments		5,246	4,562
Purchase of tangible fixed assets		(35,693)	(35,175)
Net cash used in investing activities		(30,447)	(30,613)
Change in cash and cash equivalents in the year		528,698	1,429,979
Cash and cash equivalents at the beginning of the year		3,545,886	2,115,907
Cash and cash equivalents at the end of the year	20	4,074,584	3,545,886

The notes on pages 26 to 41 form part of these financial statements

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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.

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.

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Income (continued)

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

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 2022

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

Liabilities and provisions 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 2022

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.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	9,035	10,405	19,440	18,821
Grants	-	1,400	1,400	-
Other grant income	270,172	-	270,172	339,289
Total 2022	<u>279,207</u>	<u>11,805</u>	<u>291,012</u>	<u>358,110</u>
<i>Total 2021</i>	<u>310,095</u>	<u>48,015</u>	<u>358,110</u>	

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Support Services	8,804,991	1,975	8,806,966	8,287,893
Sleep in provision	-	-	-	386,313
Total 2022	<u>8,804,991</u>	<u>1,975</u>	<u>8,806,966</u>	<u>8,674,206</u>
<i>Total 2021</i>	<u>8,674,206</u>	<u>-</u>	<u>8,674,206</u>	

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income	5,246	5,246	4,562
Total 2022	<u>5,246</u>	<u>5,246</u>	<u>4,562</u>
<i>Total 2021</i>	<u>4,562</u>	<u>4,562</u>	

7. Expenditure on raising funds

Costs of raising voluntary income

	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Expenditure on raising voluntary income	5,396	5,396	11,763
Total 2022	<u>5,396</u>	<u>5,396</u>	<u>11,763</u>
<i>Total 2021</i>	<u>11,763</u>	<u>11,763</u>	

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Support Services	8,835,033	26,581	8,861,614	8,264,465
Total 2022	<u>8,835,033</u>	<u>26,581</u>	<u>8,861,614</u>	<u>8,264,465</u>
<i>Total 2021</i>	<u>8,264,465</u>	<u>-</u>	<u>8,264,465</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Support Services	8,061,231	800,383	8,861,614	8,264,465
Total 2022	<u>8,061,231</u>	<u>800,383</u>	<u>8,861,614</u>	<u>8,264,465</u>
<i>Total 2021</i>	<u>7,477,826</u>	<u>786,639</u>	<u>8,264,465</u>	

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Support Services 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	7,570,684	7,570,684	7,039,087
Service user and Accommodation costs	163,007	163,007	330,283
Administration and Other Staff costs	327,540	327,540	108,456
Total 2022	<u>8,061,231</u>	<u>8,061,231</u>	<u>7,477,826</u>
<i>Total 2021</i>	<u>7,477,826</u>	<u>7,477,826</u>	

Analysis of support costs

	Support Services 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Staff costs	335,398	335,398	348,310
Other Support costs	443,836	443,836	419,699
Governance costs	21,149	21,149	18,630
Total 2022	<u>800,383</u>	<u>800,383</u>	<u>786,639</u>
<i>Total 2021</i>	<u>786,639</u>	<u>786,639</u>	

10. Auditors' remuneration

	2022 £	<i>2021 £</i>
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	7,200	7,315
Fees payable to the Charity's auditor in respect of: Preparation of the Charity's annual accounts	<u>2,000</u>	<u>1,260</u>

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Staff costs

	2022 £	<i>2021</i> <i>£</i>
Wages and salaries	7,233,511	6,745,024
Social security costs	500,892	470,197
Contribution to defined contribution pension schemes	171,679	172,176
	<hr/> 7,906,082 <hr/>	<hr/> 7,387,397 <hr/>

During the year, £NIL has been paid out in redundancies (2021: £22,000).

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

	2022 No.	<i>2021</i> <i>No.</i>
	314 <hr/>	320 <hr/>

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 £345,435 (2021: £333,352).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £1,182 were reimbursed or paid directly to 3 Trustees (2021 - £NIL)

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 April 2021	757,895	13,065	64,043	236,253	1,071,256
Additions	-	-	2,000	33,693	35,693
At 31 March 2022	<u>757,895</u>	<u>13,065</u>	<u>66,043</u>	<u>269,946</u>	<u>1,106,949</u>
Depreciation					
At 1 April 2021	91,967	13,065	42,712	169,158	316,902
Charge for the year	15,513	-	8,091	31,923	55,527
At 31 March 2022	<u>107,480</u>	<u>13,065</u>	<u>50,803</u>	<u>201,081</u>	<u>372,429</u>
Net book value					
At 31 March 2022	<u>650,415</u>	<u>-</u>	<u>15,240</u>	<u>68,865</u>	<u>734,520</u>
At 31 March 2021	<u>665,928</u>	<u>-</u>	<u>21,331</u>	<u>67,095</u>	<u>754,354</u>

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	667,209	449,259
Other debtors	301,346	167,881
Prepayments and accrued income	93,993	93,675
	<u>1,062,548</u>	<u>710,815</u>

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£	£
Trade creditors	211,093	<i>109,834</i>
Other taxation and social security	279,566	<i>220,293</i>
Other creditors	1,853,031	<i>1,408,917</i>
Accruals	197,438	<i>370,870</i>
	2,541,128	<i>2,109,914</i>

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.

	2022	<i>2021</i>
	£	£
Deferred income at 1 April 2021	175,520	<i>463,864</i>
Resources deferred during the year	293,811	<i>175,520</i>
Amounts released from previous periods	(175,520)	<i>(463,864)</i>
	293,811	<i>175,520</i>

16. Provisions

	Clawback Provision £
Movement in the year	193,169
	193,169

The provision relates to underspends on various contracts. It is considered probable that these will be reclaimed by funders.

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Innovation and Development Fund	500,000	-	-	700,000	1,200,000
Infection Control and Rapid Testing protection measures	100,000	-	-	-	100,000
	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>1,300,000</u>
General funds					
General Funds - all funds	2,249,227	9,089,275	(8,834,864)	(700,000)	1,803,638
Total Unrestricted funds	<u>2,849,227</u>	<u>9,089,275</u>	<u>(8,834,864)</u>	<u>-</u>	<u>3,103,638</u>
Restricted funds					
Restricted Funds - all funds	51,914	13,780	(31,977)	-	33,717
Total of funds	<u>2,901,141</u>	<u>9,103,055</u>	<u>(8,866,841)</u>	<u>-</u>	<u>3,137,355</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.

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
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
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
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>

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	734,520	-	734,520
Current assets	5,103,415	33,717	5,137,132
Creditors due within one year	(2,734,297)	-	(2,734,297)
Total	3,103,638	33,717	3,137,355

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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

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

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	236,214	760,650
Adjustments for:		
Depreciation charges	55,527	52,996
Dividends, interests and rents from investments	(5,246)	(4,562)
Decrease/(increase) in debtors	(351,733)	444,898
Increase in creditors	624,383	156,610
Fixed asset impairment	-	50,000
Net cash provided by operating activities	559,145	1,460,592

BETHPHAGE
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	4,074,584	3,545,886
Total cash and cash equivalents	4,074,584	3,545,886

21. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	3,545,886	528,698	4,074,584
	3,545,886	528,698	4,074,584

22. 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 £171,679 (2021: £172,063). Contributions totalling £42,889 (2021: £63,988) were payable to the fund at the balance sheet date.

BETHPHAGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

23. Operating lease commitments

At 31 March 2022 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	<i>2021</i>
	£	£
Not later than 1 year	15,516	<i>15,516</i>
Later than 1 year and not later than 5 years	22,653	<i>30,411</i>
	38,169	<i>45,927</i>

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

	2022	<i>2021</i>
	£	£
Operating lease rentals	15,516	<i>15,516</i>
	-	<i>-</i>

24. Related party transactions

During the year Bethphage acquired services totalling £7,469 (2021: 5,951) from Shropshire Partners in Care. At the year end, there was a balance outstanding of £1,534 (2021: 400).

All these transactions have been conducted at an arms length basis, under normal commercial terms.