

TERAPIA

England & Wales · Charity number 1144041

Details

Status Registered

Legal form Charitable company

Company number [05523517](#)

Registered 2011-09-29

Register [View on the Charity Commission register](#)

Contact

Address The Bothy
17a East End Road
London
N3 3QE

Phone 02082016101

Email training@terapia.co.uk

Website www.terapia.co.uk

Activities

Objects: 1.THE RELIEF OF THE MENTAL AND EMOTIONAL DISTRESS OF CHILDREN, ADOLESCENTS, ADULTS, CARERS AND FAMILIES IN NEED OF PROFESSIONAL HELP THROUGH COUNSELLING, PSYCHOTHERAPY, TRAINING, ADVICE AND SUPPORT;2. TO ADVANCE THE EDUCATION OF THE GENERAL PUBLIC IN ALL AREAS RELATING TO CHILD, ADOLESCENT AND ADULT COUNSELLING AND PSYCHOTHERAPY

Activities: Terapia exists to provide relief of the mental and emotional distress of children, adolescents, adults, carers and families in need of professional help, through counselling, psychotherapy, training, advice and support and to advance the education of the general public in all areas relating to child, adolescent and adult counselling and psychotherapy.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, Arts/culture/heritage/science
- **Who:** Children/young People, People With Disabilities, Other Defined Groups

Geography

- Buckinghamshire
- Essex
- Hertfordshire
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,522,445	£1,566,212	£2,149,491	16
2023-12-31	£1,688,451	£1,379,270	£2,193,258	15
2022-12-31	£1,281,934	£1,304,278	£1,884,077	15
2021-12-31	£1,261,366	£1,214,674	£1,929,786	13
2020-12-31	£986,625	£935,814	£1,883,094	10

Trustees

Name	Role	Appointed
Dipen Shah	Chair	2022-09-08
Richard Alberto		2023-01-26

TERAPIA

England & Wales - Charity number 1144041

Accounts

Charity registration number 1144041 (England and Wales)

Company registration number 05523517

TERAPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

TERAPIA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K E Malyali N J Rolli L J Fuller D Shah R Alberto
Charity number	1144041
Company number	05523517
Principal address	Terapia Centre 17a East End Road Finchley London N3 3QE
Registered office	17a East End Road London N3 3QE
Auditor	TC Group 5th Floor 3 Dorset Rise London EC4Y 8EN
Bankers	Santander UK Plc Customer Service Centre Bootle Merseyside L30 4GB

TERAPIA

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TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also directors of the charitable company for the purpose of the Companies Act 2006, present their report and accounts for the year ended 31 December 2024.

The accounts have been prepared in accordance with the accounting policies set out in Note 1, the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charitable company is a registered charity which exists to provide relief of the mental and emotional distress of children, adolescents, adults, carers and families in need of professional help, through counselling, psychotherapy, training, advice and support and to advance the education of the general public in all areas relating to child, adolescent and adult counselling and psychotherapy.

Public Benefit Statement

The trustees confirm that they have complied with their duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

How Terapia's Activities Deliver Public Benefit

Terapia's activities are geared to deliver public benefit in the following ways:

- by providing training for counsellors and psychotherapists, who then utilise their acquired knowledge and skills by providing a counselling and psychotherapy service for clients of differing ages and developmental backgrounds and from diverse social and cultural backgrounds who may present a wide range of emotional, developmental, social and behavioural issues;
- by offering low cost and free of charge counselling and psychotherapy to children, young people, parents and families. This comprehensive and wide-ranging service is provided pro bono by Terapia's trainees. The students' clinical work is supported by Terapia's tutors and clinical supervisors who are qualified Child and Adolescent Counsellors and Psychotherapists.

Terapia is a uniquely integrative school which, unlike most other existing training providers, explores all the leading approaches to Child Psychotherapy. The school is one of the first in the UK to offer training from this perspective. Most of the training takes place through weekly seminars, weekend lectures and tutorials. A balance of theoretical and experiential learning is offered at Terapia.

Terapia's training function has been in operation for over 20 years. The rapid growth of the organisation provides reassurance that Terapia is filling a need for such training and services in the country.

Terapia is an organisational member of the British Association for Counselling and Psychotherapy (BACP) and an accredited member of United Kingdom Council for Psychotherapy (UKCP). The courses are also validated by the Middlesex University.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Achievements and performance

Reports of Officers and Committees 1 January 2024 to 31 December 2024

Terapia's Board of Trustees comprises volunteers who are legally responsible for the charity and ensuring the charity acts in line with its charitable purposes for the public benefit. They must ensure that the charity complies with the charities governing documents and the law and is accountable. They also oversee the management of the charity's resources.

In 2024, the Trustees comprised 6 Board members who meet on a regular basis, acting in Terapia's best interests and abiding by the principles of accountability, integrity and honesty and transparency

The Board of Trustees met three times in 2024 on 18 January, 9 May and 26 September.

Ethics Committee Report

Terapia's Ethics and Complaints Committee is responsible for assuring the ethical conduct and principles of Terapia's students, supervisors, tutors and graduates. Its aim is to ensure that Terapia's policies and procedures are up-to-date, maintain good standards of practice in accordance with government policy and legislation as it relates to children and young persons and UKCP guidelines, and meets the needs and circumstances specific to psychotherapeutic work with children. Its main function is to assist Terapia and to resolve complicated ethical matters in a timely and respectful manner.

The Committee should consist of three members, one of which should be a child psychotherapy practitioner and one person could be an administrator employed by Terapia. We are recruiting members of the committee.

There were no complaints against Terapia in 2024.

Financial review

Details of income and expenditure for the year are shown on page 13. The trustees are content with the financial position and performance of Terapia.

Incoming resources totalled £1,522,445, reflecting a year-on-year change of £166,006. The charity's management costs for the year amounted to £1,566,212, compared to £1,379,270 in 2023.

Reserves Policy

The trustees have established a policy whereby the charitable company aspires to maintain unrestricted funds equivalent to at least three months of average operating costs. The trustees also regularly monitor and review the level of free resources available to the charitable company. The total unrestricted funds at the balance sheet date were £420,694 (2023: £344,436). The restricted funds held at the balance sheet date totalled £1,729,295 (2023: £1,848,822).

Investment Policy

The trustees have considered the most appropriate policy for investing funds and this will be in bank deposit accounts which will ensure the funds are readily available at all times.

Risk Review

The trustees have conducted their own review of the major risks to which the charitable company is exposed and systems have been established to mitigate those risks. The trustees have not identified any major risk with regards to future income streams. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality for all operational aspects of the charitable company. These procedures will be periodically reviewed to ensure that they still meet the requirements of the charitable company. The charitable company's policies proved robust in the face of the challenges raised by recent escalations in the cost of living. Aging IT and Telephone infrastructure continues to prove a challenge and improvements are under review by the Board.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Plans for the future

Terapia Training Branch:

- To continue to embed the new MA training program agreed with Middlesex University which started in January 2024.
- To look at new ways to increase student recruitment given recent slower uptake of the course than in previous years, likely due to higher costs of living
- To continue to recruit new core staff for the training (tutors, clinical and observation supervisors).

Terapia Clinical Services:

- To develop further and expand provision of Terapia's clinical services associated with educational training.
- To strengthen the current infrastructure of the service by reviewing existing policies.
- To carry the Whole School Approach Project (WSA) in five local schools.
- To explore areas for collaboration with other organisations.

Terapia Centre

- To maximise room usage at The Bothy and the new premises at Avenue House, during all times of the day by increasing number of clients.

Structure, governance and management

Terapia is a charitable company limited by guarantee without share capital.

The charitable company was incorporated on 1 August 2005 and is governed by the revised Memorandum and Articles of Association adopted by special resolution and filed with Companies House on 21 September 2011, and the Charities Act 2011. It was registered as a charity with the Charity Commission on 29 September 2011.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

K E Malyali

A Ali

(Resigned 5 June 2024)

N J Rolli

L J Fuller

D Shah

R Alberto

Recruitment and Appointment of Management Committee

The charitable company's trustees are also directors of the charitable company for the purposes of charity law and under the Company's Articles are known as members of the Management Committee. Under the requirements of the Company's Articles the members of the Management Committee are elected to serve for a period of one year, after which, if still willing to serve, they must be re-elected at the next Annual General Meeting.

All trustee members of the Management Committee give their time voluntarily and receive no benefits from the charitable company, other than as disclosed in Notes 7 and 18 of the accounts.

Two of the trustees are Terapia trained therapists who ensure the Management Committee remains focused on the practicalities of achieving the charitable company's aims.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2024*

Governance

Corporate governance and decision making

The Board of trustees continually keeps the operation and effectiveness of the governance structure under review. Strategic and operational planning, risk management, and budget planning processes are in place and reviewed annually.

The Chief Executive Officer is responsible for the day to day running of the organisation. Her work is supported by the Training Director, Training Clinical Lead and a PA. An Academic Coordinator also provides administrative support to teaching staff and students.

All decision making of the training branch of the organisation takes place within the Training Committee. This also provides quality assurance for all aspects of the course. The committee comprises the core training staff - the CEO, Director of Training and Training Clinical Lead.

All decision making for the Therapeutic Services takes place within the Services Committee which consists of the CEO, Services Clinical Lead and the Head of School Services and Development. Terapia's organisational activities are supported by the Ethics Committee.

The regular reviews and audits conducted by the United Kingdom Council for Psychotherapy (UKCP) and Middlesex University provide assurance on Terapia's professional activities, with risk management and control systems in operation, as well as providing an input to continuous improvement processes. An Institutional Review with Middlesex University took place in 2024.

Clinical governance

Terapia's Training and Services Clinical Leads and Ethics Committee, in conjunction with internal clinical supervisors, provide a quality of service which meets the changing demands of law, regulation and standards of best practice related to child and adolescent mental health. They implement appropriate evidence based performance standards and have a regular evaluation of the service systems in place.

The Training Committee comprises the core training staff. The Training Committee is a decision-making body and provides quality assurance for all aspects of the course.

Trustee Induction and Training

Trustees are already familiar with the operational work of the charitable company, and have extended their knowledge through reading the charitable company's training and information literature as well as through discussion sessions with the CEO and other staff.

Fundraising

The Terapia Shop in North Finchley continues to raise funds for the charity. The Trustees would like to acknowledge the generosity of those who donated and bought goods and would like to thank the shop staff and volunteers who generously give up their time to help out in the charity shop, which helps to generate much needed income that's used for our charitable objectives. A second shop opened in East Finchley in August 2024 and was met with huge interest in local community which supports it very generously.

We are also grateful for financial donations and grants made. All money received will be used to further our charitable purposes, subject to restrictions imposed by the donors.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of trustees' responsibilities

The trustees, who are also the directors of Terapia for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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.

Auditor

The auditor, TC Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

D Shah

Trustee

Dated: 26 September 2025

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Report from Bozena Merrick, CEO, Clinical Director and Founder

Throughout 2024 Terapia has continued to grow and prosper as both a successful training organisation and a highly regarded provider of psychotherapeutic services to children, adolescents and their families, making a difference to young peoples' lives and their futures.

Bothy Centre and new facilities at Avenue House

The Bothy, our Grade II listed building in the grounds of Stephen's House and Gardens, Finchley is a well-established shared community space and therapeutic environment devoted to both education and psychotherapeutic and counselling provision for children, young people and families. The centre is admired by both students and therapy clients with stylish modern furnishings and beautiful living walls making it an ideal therapy and training setting. Our MA in Child and Adolescent Psychotherapy and our Foundation, Conversion and Supervision courses are held there in purpose-built training rooms. In the suite of therapy and play therapy rooms upstairs in the building, our students put the skills they learn into practice with children of all ages, races and cultures, special/additional needs, who need specialist psychological help.

Given increased demand for our services and the need for additional space, our Therapeutic and School Services Team are now accommodated in an office in Avenue House. We also run Training Courses in a spacious and well-equipped training room in the 2nd floor flat in Avenue House. This was leased in 2024 and refurbished to mirror the facilities at the Bothy. The building is a short walk away from the Bothy.

Terapia Training and student recruitment

Terapia's new MA course in Child and Adolescent Psychotherapy, which was validated by Middlesex University in 2023, came into operation in January 2024. The MA is a four-year degree covering new contemporary subject areas which has a preliminary Foundation year focused on adult counselling skills leading onto the MA course. Terapia students in the early years of training moved onto the new course structure in 2024, but those in the final two years of training continued with the existing MA course.

By autumn 2023, the Foundation Year for the new course programme was fully subscribed for both the daytime and evening training, with 40 new students starting in January 2024.

A handful of students did not continue through the course into the later modules but overall more trainees are completing the course than in previous years. Where students do decide to take a break from the training, leave the course, or to exit with a Post Graduate qualification, smaller groups remain financially viable as employing less supervisors for the cohort reduces the overall training costs.

Throughout 2024 we effectively recruited 40 new trainees to start on our course commencing in January 2025, filling both our daytime and evening cohorts, thus ensuring another financially secure year for Terapia. Terapia's excellent reputation means that we overwhelmingly attract students by word of mouth, but we also bring in trainees through information on our website and adverts in various therapy magazines. Terapia again exhibited at the Mind, Body and Spirit Festival and the BACP Private Practice conference also raised awareness of our training.

The new course programme required more Baby Observation and Toddler Observation Supervisors. As a result, Terapia welcomed several new faces into the Terapia team in 2024.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Terapia Services

All therapeutic services offered by Terapia are part of our educational course delivery. These services are provided by the trainees on our Child and Adolescent Psychotherapy MA. This gives Terapia's tutors the opportunity to assess students' learning on the course and the way they implement teaching into their clinical skills.

In 2024 there was continued demand for therapy sessions provided at the Bothy to children, adolescents and their families. All therapeutic services are delivered in-person and we continue to have a high volume of new client referrals which are overseen by our Clinical Lead, Sacha Richardson. At the end of 2024 140 clients had attended therapy sessions at The Bothy seen by our psychotherapy trainees.

Our trainees are supervised in small groups and are also supported by our Clinical Lead on clinical and management issues. Terapia's core teaching staff (Clinical Supervisors, Director of Training, CEO and Pastoral Support Tutor) also meet regularly with Terapia Services staff to discuss every student on a clinical placement and to exchange information about learning progress and any issues which may arise in trainees' professional development.

By asking parents/clients for a contribution towards trainees' supervision costs and the upkeep of the centre, we are able to provide therapy to those who would be unable to afford therapy services elsewhere. Rooms at the Bothy are also regularly hired out to private users who provide therapy services. This provides an additional financial contribution to Terapia's therapeutic services when rooms are not being used by our trainees.

In 2024 Pamela Butler, as Head of Services and Development, oversaw Terapia's service provision and looked at possible ways to grow our services, through developing partnerships with outside organisations and project work. In 2024 Terapia was involved in 4 projects: Senior Mental Health Lead Training; Whole School Approach; Hendon Collaboration Project (with Art Against Knives and St Mary's and St John's School) and ACE Luton. Pamela has now moved on and has been replaced by Alexander Robertson who continues to look at new opportunities for growth and collaboration.

Terapia School Services

In 2024 Terapia School Services (TSS) continued to expand and provide excellent services in many primary and secondary schools in the North London area and Hertfordshire. Our Schools Services Manager works closely with each individual school in conjunction with Terapia's Therapeutic leads to support therapists in meeting the mental health needs of the children and young people they work with. TSS also now operates in number of out of area schools outside of London as it organises clinical placements in schools for all students.

TSS continued to run the Whole School Approach (WSA) project, funded by John Lyon's Charity for improving mental health and wellbeing in five local schools. The project is overseen by 4 Whole School Approach Leads who work closely with schools and students to ensure a high quality service which meets the needs of schools and trainees.

At the end of 2024, 65 trainee therapists provided services at 34 settings (schools and other placements) seeing in total 404 clients. Organisations Terapia works with include Onwards and Upwards Care Leaver Services and ARC Children's Homes in Hertfordshire.

Training Approved Partner Organisations were also introduced this year. Currently Terapia works with 6 organisations Children's School Partnership; Child in Time; Unlocking Potential; Grief Encounters; Impact North and Kids Inspire.

The Bothy Charity Shops

In August 2024 Terapia opened a second Charity Shop in East Finchley. This has become well established in the heart of the vibrant local community and brings in additional income for our charity. The Bothy Charity Shop in North Finchley also continues to thrive. Both shops help to promote Terapia, advertising the courses we offer and protecting the environment by upcycling and re-using goods. The shops employ four members of staff. We are very grateful for the donations we receive at the shop and for the support of a number of volunteers ensuring the success of both shops.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Risks and Mitigations

Despite another good year in terms of demand for Terapia's services and student numbers remaining steady for another year, we have risks to our services.

Terapia Training:

Risks:

1. Falls in recruitment to our courses as students struggle to finance course fees due to higher living expenses and other costs. While we have filled all course places, recruitment has been slower than in previous years.
2. Pressures on staffing costs as the result of lower number of students.
3. Matters concerning individual students have been taking up considerable time and resources, redirecting focus from key training and therapy work.
4. Difficulties in recruiting staff for some specific course subject areas.

Bothy Centre

Risks:

1. Ongoing IT and phone problems affecting the services we provide.
2. Terapia's database not fit for purpose.

How we plan to mitigate the risks:

1. If student numbers drop, the training allows for flexibility to employ fewer contractors, to offset the decrease in income.
2. Closely monitoring student numbers to help budgeting for staff costs.
3. Increased recruitment drive for new students, including a more defined strategy for advertising courses/using previous course enquiries.

Terapia Training:

1. If student numbers drop, the training allows for flexibility to engage less contractors, to offset any decrease in income. We closely monitor student numbers when budgeting for staff costs.
2. Increased recruitment drive for new students, including a more defined strategy for advertising courses/using previous course enquiries.
3. We are looking at maximising visibility for our training courses on Google including using Google Ads and Search Engine Optimization,

Bothy Centre

1. A new phone system with BT was set up in 2023 but issues with slow internet speeds have been affecting all businesses in the locality. A bespoke telephone line for Terapia has now been ordered which is due to come into operation this autumn. This has been subject to delays by BT.
2. An IT consultant has looked at Terapia's IT. Our new Director of Services has also been giving advice on possible improvements
3. Work has started on creating a new database to better meet Terapia's training needs.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Conclusion

I am proud of Terapia and its trainees and Graduates and of our many achievements over the year. I am grateful for the dedication and continued support of Terapia's teaching and admin team.

Thank you to our current Chair, Dipen Shah and the Board of Trustees for their ongoing support.

Bozena Merrick (Gmerek)
Chief Executive Officer and Clinical Director
Terapia
Dated:

THERAPIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THERAPIA

Opinion

We have audited the financial statements of Terapia (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

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

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are those that relate to the reporting framework being the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the charitable company's Memorandum and Articles of Association, the Charities Act 2011, and the safe guarding legislation.
- We understood how the Charity is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including trustee meeting minutes.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of trustee meeting minutes.
- We assessed the susceptibility of the Charities's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the entity. We tested completeness of income through substantive tests performed and cut off tests on the revenue recognised.
- The Charity is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

26 September 2025

Statutory Auditor

5th Floor
3 Dorset Rise
London
EC4Y 8EN

TC Group is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

TERAPIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	2	-	-	-	432	-	432
Charitable activities	4	1,379,630	9,600	1,389,230	1,284,716	299,100	1,583,816
Other trading activities	3	129,213	-	129,213	101,385	-	101,385
Bank interest		4,002	-	4,002	2,818	-	2,818
Total income		1,512,845	9,600	1,522,445	1,389,351	299,100	1,688,451
Expenditure on:							
Charitable activities	5	1,437,085	129,127	1,566,212	1,290,752	88,518	1,379,270
Net income/(expenditure) for the year/							
Net movement in funds		75,760	(119,527)	(43,767)	98,599	210,582	309,181
Fund balances at 1 January 2024		344,436	1,848,822	2,193,258	245,837	1,638,240	1,884,077
Fund balances at 31 December 2024		420,196	1,729,295	2,149,491	344,436	1,848,822	2,193,258

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TERAPIA

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Property, plant and equipment	11		1,588,816		1,611,783
Current assets					
Trade and other receivables	12	251,547		335,047	
Cash at bank and in hand		548,286		475,840	
		799,833		810,887	
Current liabilities	13	(239,158)		(229,412)	
Net current assets			560,675		581,475
Total assets less current liabilities			2,149,491		2,193,258
Income funds					
Restricted funds	15		1,729,295		1,848,822
<u>Unrestricted funds</u>					
Designated funds	16	6,206		6,206	
General unrestricted funds		413,990		338,230	
			420,196		344,436
			2,149,491		2,193,258

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 26 September 2025

K E Malyali
Trustee

D Shah
Trustee

Company Registration No. 05523517

TERAPIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	20		78,045		74,631
Investing activities					
Purchase of property, plant and equipment		(9,601)		(27,404)	
Interest received		4,002		2,818	
Net cash used in investing activities			(5,599)		(24,586)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			72,446		50,045
Cash and cash equivalents at beginning of year			475,840		425,795
Cash and cash equivalents at end of year			548,286		475,840

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Terapia is a private company limited by guarantee incorporated in England and Wales. The registered office is at 17a East End Road, London, N3 3QE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, as course enrolments for 2025 and beyond are budgeted to continue to cover the charitable company's stable cost base. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Restricted funds

Restricted funds are to be used for the specific purpose as laid down by the donor. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs, where applicable.

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated from the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are set aside out of unrestricted funds by the trustees for specific purposes.

1.4 Income

Incoming resources from training, the associated delivery of services and related activities, and room rent is included on the Statement of Financial Activities when receivable.

Voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.

Goods donated to the charity shop are recognised at their fair value when material, however where it is not possible to assess the value of goods donated, as they are low value items which cannot be reliably measured, no income is recognised until the goods are sold.

Other income includes income from fundraising events organised by the charity.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Charitable grants, including any grants for the purchase of fixed assets, are recognised in the statement of Financial Activities in the year in which they are receivable. For grants or donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the grant or donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1.5 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 are allocated on the portion of the asset's use.

Outgoing resources are recognised in the period in which they are incurred. Resources expended include any attributable VAT which cannot be recovered. Support costs are allocated between charitable activities based on the percentage of total costs.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

The Bothy	Over the 75 year period of the lease
Leasehold improvements	Over the 5 year period of the lease
Fixtures, fittings & equipment	20% per annum on a reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	-	432

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Shop income	129,213	101,385

4 Charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £
Educational course fees and services	1,280,700	9,600	1,290,300	15,000	1,194,582	1,209,582
Room hire	98,620	-	98,620	-	76,208	76,208
Grant income	-	-	-	284,100	-	284,100
Other income	310	-	310	-	13,926	13,926
	<u>1,379,630</u>	<u>9,600</u>	<u>1,389,230</u>	<u>299,100</u>	<u>1,284,716</u>	<u>1,583,816</u>
Analysis by fund						
Unrestricted funds	1,379,630	-	1,379,630	-	1,284,716	1,284,716
Restricted funds	-	9,600	9,600	299,100	-	299,100
	<u>1,379,630</u>	<u>9,600</u>	<u>1,389,230</u>	<u>299,100</u>	<u>1,284,716</u>	<u>1,583,816</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Charitable activities

	Direct Training costs	Fundraising costs	The Bothy Renovation work	Whole School Approach	Hendon Collaboration Project	The Underprivileged Children's Fund	Total 2024	Total 2023
	2024	2024	2024	2024	2024	2024		
	£	£	£	£	£	£	£	£
Staff costs	103,638	46,544	-	27,622	20,341	-	198,145	169,232
Direct expenditure	520,595	86,326	23,093	36,493	20,118	1,460	688,085	655,222
	<u>624,233</u>	<u>132,870</u>	<u>23,093</u>	<u>64,115</u>	<u>40,459</u>	<u>1,460</u>	<u>886,230</u>	<u>824,454</u>
Support and governance costs (see note 8)	560,647	119,335	-	-	-	-	679,982	554,816
	<u>1,184,880</u>	<u>252,205</u>	<u>23,093</u>	<u>64,115</u>	<u>40,459</u>	<u>1,460</u>	<u>1,566,212</u>	<u>1,379,270</u>
Analysis by fund								
Unrestricted funds	1,184,880	252,205	-	-	-	-	1,437,085	1,290,752
Restricted funds	-	-	23,093	64,115	40,459	1,460	129,127	88,518
	<u>1,184,880</u>	<u>252,205</u>	<u>23,093</u>	<u>64,115</u>	<u>40,459</u>	<u>1,460</u>	<u>1,566,212</u>	<u>1,379,270</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

5 Charitable activities

(Continued)

For the year ended 31 December 2023

	Direct Training costs £	Fundraising costs £	The Bothy Renovation work £	Whole School Approach £	Charitable expenditure 5 £	Charitable expenditure 6 £	Total 2023 £
Staff costs	107,164	29,571	-	27,594	4,903	-	169,232
Direct expenditure	548,296	50,905	23,093	25,240	6,138	1,550	655,222
	655,460	80,476	23,093	52,834	11,041	1,550	824,454
Share of support costs (see note 8)	493,179	61,637	-	-	-	-	554,816
	1,148,639	142,113	23,093	52,834	11,041	1,550	1,379,270
Analysis by fund							
Unrestricted funds	1,148,639	142,113	-	-	-	-	1,290,752
Restricted funds	-	-	23,093	52,834	11,041	1,550	88,518
	1,148,639	142,113	23,093	52,834	11,041	1,550	1,379,270

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6	Net movement in funds	2024 £	2023 £
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	12,600	12,600
	Depreciation of owned property, plant and equipment	32,568	30,361

7 Trustees

During this year and the previous year, no amounts were re-imbursed to trustees.

None of the current trustees are remunerated by the charity.

8 Support and governance costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Staff wages and salaries	231,851	-	231,851	186,470	-	186,470
Director's remuneration	100,176	-	100,176	96,665	-	96,665
Social security	48,859	-	48,859	31,652	-	31,652
Pensions	59,877	-	59,877	8,159	-	8,159
Rent	47,201	-	47,201	29,237	-	29,237
Insurance	7,937	-	7,937	6,893	-	6,893
Repairs and maintenance	9,751	-	9,751	5,362	-	5,362
Advertising and marketing	35,781	-	35,781	25,352	-	25,352
Recruitment costs	660	-	660	-	-	-
Computer costs	23,015	-	23,015	18,668	-	18,668
Provision for doubtful debts	4,308	-	4,308	8,692	-	8,692
Postage and stationery	15,116	-	15,116	11,826	-	11,826
Telephone and fax	796	-	796	562	-	562
Motor expenses	2,093	-	2,093	1,775	-	1,775
Travelling expenses	2,726	-	2,726	2,710	-	2,710
Legal and professional fees	9,555	-	9,555	8,058	-	8,058
Auditor's remuneration	-	12,600	12,600	-	12,600	12,600
Accountancy	10,745	-	10,745	34,105	-	34,105
Sundry expenses	13,118	-	13,118	25,576	-	25,576
Subscriptions	2,808	-	2,808	3,035	-	3,035
Bank charges	8,441	-	8,441	7,058	-	7,058
Depreciation	32,568	-	32,568	30,361	-	30,361
	667,382	12,600	679,982	542,216	12,600	554,816

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

9 Employees

The average monthly number of employees, excluding the trustees, during the year was:

	2024 Number	2023 Number
Employees	16	15

Employment costs	2024 £	2023 £
Wages and salaries	530,172	452,367
Social security costs	48,859	31,652
Other pension costs	59,877	8,159
	638,908	492,178

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Remuneration	151,497	101,031

10 Taxation

No liability arises as the charitable company is a registered charity and is therefore exempt from taxation on the income arising from its normal activities.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

11 Property, plant and equipment

	The Bothy	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2024	1,730,447	17,214	68,993	1,816,654
Additions	-	2,976	6,625	9,601
At 31 December 2024	1,730,447	20,190	75,618	1,826,255
Depreciation and impairment				
At 1 January 2024	157,134	2,582	45,155	204,871
Depreciation charged in the year	23,093	3,493	5,982	32,568
At 31 December 2024	180,227	6,075	51,137	237,439
Carrying amount				
At 31 December 2024	1,550,220	14,115	24,481	1,588,816
At 31 December 2023	1,573,313	14,632	23,838	1,611,783

12 Trade and other receivables

	2024	2023
	£	£
Amounts falling due within one year:		
Trade receivables	67,423	65,843
Prepayments and grant debtors	130,424	122,604
	197,847	188,447
Amounts falling due after more than one year:		
Prepayments and grant debtors	53,700	146,600
Total debtors	251,547	335,047

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

13 Current liabilities

	2024 £	2023 £
Other taxation and social security	15,662	13,351
Trade payables	25,637	22,238
Other payables	1,758	1,571
Accruals and deferred income	196,101	192,252
	<u>239,158</u>	<u>229,412</u>

Included in creditors is deferred income of £150,627 (2023: £155,929) which relates to 2025 course fees received in advance.

14 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>59,877</u>	<u>8,159</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024 £	Incoming resources £	Resources expended £	At 31 December 2024 £
The Bothy renovation work	1,573,313	-	(23,093)	1,550,220
The Underprivileged Children's fund	2,450	-	(1,460)	990
Whole School Approach	163,600	9,600	(64,115)	109,085
The Hendon Collaboration Project	109,459	-	(40,459)	69,000
	<u>1,848,822</u>	<u>9,600</u>	<u>(129,127)</u>	<u>1,729,295</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Restricted funds

(Continued)

Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
The Bothy renovation work	1,596,406	-	(23,093)	1,573,313
The Underprivileged Children's fund	4,000	-	(1,550)	2,450
Whole School Approach	37,834	178,600	(52,834)	163,600
The Hendon Collaboration Project	-	120,500	(11,041)	109,459
	<u>1,638,240</u>	<u>299,100</u>	<u>(88,518)</u>	<u>1,848,822</u>

The Bothy restricted fund relates to specific donations received for the purpose of renovating a property which has been leased to the Charity on a long-term basis to be used in connection with the charity's purpose of providing a therapeutic centre for children, young adults and their families.

The Underprivileged Children's fund is used to enable young people and their families to access the therapeutic services associated with educational courses.

The Whole School Approach fund is used to provide holistic therapeutic services, associated with educational courses, to entire school communities. This has been primarily funded by a grant from John Lyon's Charity beginning in 2021 which was pledged to contribute £133,000 over three years. Another grant from John Lyon's Charity was pledged in 2023, to contribute £163,600 over a further 3 years, commencing December 2023.

The Hendon Collaboration Project fund is used to provide holistic therapeutic services, associated with educational courses, to disadvantaged students at St Mary's and St John's CE School. This has been primarily funded by a separate grant from John Lyon's Charity, which was pledged to contribute £120,500 over 3 years, commencing September 2024.

16 Unrestricted and designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
Student Funding Scheme	6,206	-	-	6,206
General funds	338,230	1,512,845	(1,437,085)	413,990
	<u>344,436</u>	<u>1,512,845</u>	<u>(1,437,085)</u>	<u>420,196</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

16 Unrestricted and designated funds (Continued)

Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Student Funding Scheme	-	6,206	-	6,206
General funds	245,837	1,383,145	(1,290,752)	338,230
	<u>245,837</u>	<u>1,389,351</u>	<u>(1,290,752)</u>	<u>344,436</u>

17 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2024 are represented by:						
Property, plant and equipment	38,596	1,550,220	1,588,816	38,470	1,573,313	1,611,783
Net current assets	381,600	179,075	560,675	305,966	275,509	581,475
	<u>420,196</u>	<u>1,729,295</u>	<u>2,149,491</u>	<u>344,436</u>	<u>1,848,822</u>	<u>2,193,258</u>

18 Related party transactions

J Block, a previous trustee of Terapia and spouse of a member of key management, is also a director and shareholder of Head Teacher Research Limited. During the year ended 31 December 2024 the charitable company paid £6,289 (2023: £6,005) for supplies and services from Head Teacher Research Limited.

N Rolli, a trustee of Terapia, provided teaching to two groups of students. During the year she received £1,700 (2023: £2,771) for services rendered.

L Fuller, a trustee of Terapia provided clinical supervision to two groups of students. During the year she received £2,490 (2023: £nil) for services rendered.

19 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	87,079	52,306
Between two and five years	237,932	157,742
In over five years	9,464	-
	<u>334,475</u>	<u>210,048</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

20	Cash generated from operations	2024 £	2023 £
	(Deficit)/surplus for the year	(43,767)	309,181
	Adjustments for:		
	Interest received	(4,002)	(2,818)
	Depreciation of property, plant and equipment	32,568	30,361
	Movements in working capital:		
	Decrease/(increase) in trade and other receivables	83,500	(221,701)
	Increase/(decrease) in trade and other payables	9,746	(40,392)
	Cash generated from operations	78,045	74,631

21 Analysis of changes in net funds

The charity had no material debt during the year.

TERAPIA

England & Wales - Charity number 1144041

Accounts

Charity registration number 1144041

Company registration number 05523517 (England and Wales)

TERAPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

TERAPIA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K E Malyali N J Rolli L J Fuller D Shah R Alberto	(Appointed 26 January 2023)
Charity number	1144041	
Company number	05523517	
Principal address	Terapia Centre 17a East End Road Finchley London N3 3QE	
Registered office	17a East End Road London N3 3QE	
Auditor	TC Group 5th Floor 3 Dorset Rise London EC4Y 8EN	
Bankers	Santander UK Plc Customer Service Centre Bootle Merseyside L30 4GB	

TERAPIA

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TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also directors of the charitable company for the purpose of the Companies Act 2006, present their report and accounts for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out in Note 1, the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charitable company is a registered charity which exists to provide relief of the mental and emotional distress of children, adolescents, adults, carers and families in need of professional help, through counselling, psychotherapy, training, advice and support and to advance the education of the general public in all areas relating to child, adolescent and adult counselling and psychotherapy.

Public Benefit Statement

The trustees confirm that they have complied with their duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

How Terapia's Activities Deliver Public Benefit

Terapia's activities are geared to deliver public benefit in the following ways:

- by providing training for counsellors and psychotherapists, who then utilise their acquired knowledge and skills by providing a counselling and psychotherapy service for clients of differing ages and developmental backgrounds and from diverse social and cultural backgrounds who may present a wide range of emotional, developmental, social and behavioural issues;
- by offering low cost and free of charge counselling and psychotherapy to children, young people, parents and families. This comprehensive and wide-ranging service is provided pro bono by Terapia's trainees. The students' clinical work is supported by Terapia's tutors and clinical supervisors who are qualified Child and Adolescent Counsellors and Psychotherapists.

Terapia is a uniquely integrative school which, unlike most other existing training providers, explores all the leading approaches to Child Psychotherapy. The school is one of the first in the UK to offer training from this perspective. Most of the training takes place through weekly seminars, weekend lectures and tutorials. A balance of theoretical and experiential learning is offered at Terapia.

Terapia's training function has been in operation for over 20 years. The rapid growth of the organisation provides reassurance that Terapia is filling a need for such training and services in the country.

Terapia is an organisational member of the British Association for Counselling and Psychotherapy (BACP) and an accredited member of United Kingdom Council for Psychotherapy (UKCP). The courses are also validated by the Middlesex University.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

Reports of Officers and Committees 1 January 2023 to 31 December 2023

Terapia's Board of Trustees comprises volunteers who are legally responsible for the charity and ensuring the charity acts in line with its charitable purposes for the public benefit. They must ensure that the charity complies with the charities governing documents and the law and is accountable. They also oversee the management of the charity's resources.

In 2023, the Trustees comprised 6 Board members who meet on a regular basis, acting in Terapia's best interests and abiding by the principles of accountability, integrity and honesty and transparency

The Board of Trustees met three times in 2023 on 26 January, 18 May and 14 September.

Ethics Committee Report

Terapia's Ethics and Complaints Committee is responsible for assuring the ethical conduct and principles of Terapia's students, supervisors, tutors and graduates. Its aim is to ensure that Terapia's policies and procedures are up-to-date, maintain good standards of practice in accordance with government policy and legislation as it relates to children and young persons and UKCP guidelines, and meets the needs and circumstances specific to psychotherapeutic work with children. Its main function is to assist Terapia and to resolve complicated ethical matters in a timely and respectful manner.

The Committee should consist of three members, one of which should be a child psychotherapy practitioner and one person could be an administrator employed by Terapia. We are recruiting members of the committee.

There were no complaints against Terapia in 2023.

Financial review

Details of income and expenditure for the year are shown on page 12. The trustees are content with the financial position and performance of Terapia.

Incoming resources totalled £1,688,451, reflecting a year-on-year change of £406,517. The charity's management costs for the year amounted to £1,379,270, compared to £1,304,278 in 2022.

Reserves Policy

The trustees have established a policy whereby the charitable company aspires to maintain unrestricted funds equivalent to at least three months of average operating costs. The trustees also regularly monitor and review the level of free resources available to the charitable company. The total unrestricted funds at the balance sheet date were £344,436 (2022: £245,837). The restricted funds held at the balance sheet date totalled £1,848,822 (2022: £1,638,240). Available resources at the balance sheet date were £299,760.

Investment Policy

The trustees have considered the most appropriate policy for investing funds and this will be in bank deposit accounts which will ensure the funds are readily available at all times.

Risk Review

The trustees have conducted their own review of the major risks to which the charitable company is exposed and systems have been established to mitigate those risks. The trustees have not identified any major risk with regards to future income streams. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality for all operational aspects of the charitable company. These procedures will be periodically reviewed to ensure that they still meet the requirements of the charitable company. The charitable company's policies proved robust in the face of the challenges raised by recent escalations in the cost of living. Aging IT and Telephone infrastructure continues to prove a challenge and improvements are under review by the Board.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Plans for the future

Terapia Training Branch:

- To embed and consolidate the new MA training program agreed with Middlesex University and started in January 2024.
- To look at new ways to increase student numbers given recent slower uptake of the course than in previous years, likely due to higher costs of living
- To continue to recruit new core staff for the training (tutors, clinical and observation supervisors).
- To increase take up of Senior Mental Health Lead Training and increase the numbers of trained Senior Mental Health Leads.
- To work with Birmingham City University on developing a Doctorate Program for September 2026.

Terapia Clinical Services:

- To develop further and expand provision of Terapia's clinical services associated with educational training.
- To strengthen the current infrastructure of the service by reviewing existing policies.
- To further develop group therapy service in accordance with Terapia's bespoke group program.
- To implement the next phase of the Whole School Approach Project (WSA) for improving mental health and wellbeing in five local schools.

Terapia Centre

- To ensure the Sensory Room is utilised, by promoting it via advertising and marketing.
- To increase the number of clients maximizing room usage at The Bothy and the new premises at Avenue House, during all times of the day.

Structure, governance and management

Terapia is a charitable company limited by guarantee without share capital.

The charitable company was incorporated on 1 August 2005 and is governed by the revised Memorandum and Articles of Association adopted by special resolution and filed with Companies House on 21 September 2011, and the Charities Act 2011. It was registered as a charity with the Charity Commission on 29 September 2011.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

K E Malyali

A Ali

(Resigned 5 June 2024)

N J Rolli

L J Fuller

D Shah

R Alberto

(Appointed 26 January 2023)

Recruitment and Appointment of Management Committee

The charitable company's trustees are also directors of the charitable company for the purposes of charity law and under the Company's Articles are known as members of the Management Committee. Under the requirements of the Company's Articles the members of the Management Committee are elected to serve for a period of one year, after which, if still willing to serve, they must be re-elected at the next Annual General Meeting.

All trustee members of the Management Committee give their time voluntarily and receive no benefits from the charitable company, other than as disclosed in Note 8 of the accounts.

Two of the trustees are Terapia trained therapists who ensure the Management Committee remains focused on the practicalities of achieving the charitable company's aims.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Governance

Corporate governance and decision making

The Board of trustees continually keeps the operation and effectiveness of the governance structure under review. Strategic and operational planning, risk management, and budget planning processes are in place and reviewed annually.

The Chief Executive Officer is responsible for the day to day running of the organisation. Her work is supported by the Training Director, Training Clinical Lead and a PA. An Academic Coordinator also provides administrative support to teaching staff and students.

All decision making of the training branch of the organisation takes place within the Training Committee. This also provides quality assurance for all aspects of the course. The committee comprises the core training staff - the CEO, Director of Training and Training Clinical Lead.

All decision making for the Therapeutic Services takes place within the Services Committee which consists of the CEO, Services Clinical Lead and the Head of School Services and Development. Terapia's organisational activities are supported by the Ethics Committee.

The regular reviews and audits conducted by the United Kingdom Council for Psychotherapy (UKCP) and Middlesex University provide assurance on Terapia's professional activities, with risk management and control systems in operation, as well as providing an input to continuous improvement processes. A UKCP Review took place in 2022 which Terapia successfully passed.

Clinical governance

Terapia's Training and Services Clinical Leads and Ethics Committee, in conjunction with internal clinical supervisors, provide a quality of service which meets the changing demands of law, regulation and standards of best practice related to child and adolescent mental health. They implement appropriate evidence based performance standards and have a regular evaluation of the service systems in place.

The Training Committee comprises the core training staff. The Training Committee is a decision-making body and provides quality assurance for all aspects of the course.

Trustee Induction and Training

Trustees are already familiar with the operational work of the charitable company, and have extended their knowledge through reading the charitable company's training and information literature as well as through discussion sessions with the CEO and other staff.

Fundraising

The Terapia Shop in North Finchley continues to raise funds for the charity. The Trustees would like to acknowledge the generosity of those who donated and bought goods and would like to thank the shop staff and volunteers who generously give up their time to help out in the charity shop, which helps to generate much needed income that's used for our charitable objectives. A second shop is opening in East Finchley in 2024.

We are also grateful for financial donations and grants made. All money received will be used to further our charitable purposes, subject to restrictions imposed by the donors.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Terapia for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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.

Auditor

TC Group were appointed as auditor to the company in accordance with section 485 of the Companies Act 2006 and will be deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

D Shah

Trustee

Dated: 27 September 2024

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Report from Bozena Merrick, CEO and Founder.

Terapia continues to be a successful training organisation providing psychotherapeutic services to children, adolescents and their families. 2023 saw the 20th Anniversary of Terapia and I am hugely proud of our achievements since the organisation was founded in 2003.

In 2023 there was change and growth for Terapia as well as celebration. Among our achievements we had a new MA course validated by Middlesex University and acquired new training, office and therapy spaces nearby in Avenue House. The prevalence of mental health issues has led to continued need for Terapia's therapeutic services, delivered by our trainees as a requirement of their training, highlighting the importance of the work we do and the difference this makes to young peoples' lives and their futures.

Bothy Centre and new facilities at Avenue House

In 2023 Terapia secured additional premises in Avenue House to enable us to expand our training and therapeutic services provided as a requirement of the educational courses. This comprises a large training room and therapy room (in the 2nd floor Flat) and new office space (Room 20). Both spaces were renovated and furnished to reflect the facilities at the Bothy and enhance the learning and therapeutic experience. We run our Conversion and Supervision Training Courses from the new premises and our Therapeutic Services and School Services Team are accommodated in the new office space.

The main training continues to be held at The Bothy, our Victorian Grade II Listed Building, in the grounds of Stephen's House and Gardens in Finchley. We are proud of the fantastic bespoke training facilities we offer, including a suite of therapy and play therapy rooms and a sensory room. The therapeutic environment begins when you enter the Bothy Gardens and continues in the building when you pass the beautiful living walls. The centre continues to be admired by trainees, tutors and clients and their families, enhancing both the teaching and therapeutic work we do.

The Bothy is a shared community space devoted to education and the associated psychotherapeutic and counselling provision for children, young people and families. The centre cares for children of all ages, races and cultures, special/additional needs, who live in the Barnet area and North London and need specialist psychological help.

Terapia Training

In 2022 we effectively recruited a full cohort of trainees to start on the new programme in January 2023 filling both our daytime and evening courses, thus ensuring another financially secure year for Terapia. Some students have not continued into the later modules but these groups remain financially viable as employing less supervisors for the cohort reduces the overall training costs for the group.

In 2023 we had our new MA Training programme validated by Middlesex University. Formulating the new programme was the main focus for much of 2023. The new course programme covers new subject areas and comprises a Foundation year covering adult counselling skills to be followed by a four-year MA course. Terapia students in the early years of training moved onto the new course structure in 2024, but those in the final two years of training continued with the existing course.

By Autumn 2023, the Foundation Year for our course programme was fully subscribed for both the daytime and evening training, with 40 new students starting in January 2024. We introduced a process of group interviews at the beginning of 2023 which streamlined the recruitment process. Terapia's excellent reputation means that we overwhelmingly attract students by word of mouth, but we also bring in trainees through adverts in various therapy magazines and through information on our website. Terapia again exhibited at the Mind, Body and Spirit Festival and the BACP Private Practice conference raising awareness of our training.

We have continued to need to recruit new tutors and supervisors, and the new course programme required more Baby Observation and Toddler Observation Supervisors. As a result Terapia welcomed many new faces in 2024.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Terapia Services

All therapeutic services offered by Terapia are part of our educational course delivery. These services are provided by the trainees on our Child and Adolescent Psychotherapy MA. This gives Terapia's tutors the opportunity to assess students' learning on the course and the way they implement teaching into their clinical skills.

Our psychotherapy trainees are supervised in small groups and are also supported by our Clinical Lead, Sacha Richardson, on clinical and management issues. Terapia's core teaching staff (Clinical Supervisors, Director of Training, CEO and Pastoral Support Tutor) meet regularly with Terapia Services staff to discuss every student on a placement and to exchange information about learning progress and any issues which may arise in trainees' professional development.

By asking parents/clients for a contribution towards trainees' supervision costs and the upkeep of the centre, we are able to provide therapy to those who would be unable to afford this elsewhere.

In 2023 there has been a significant increase in the number of therapy sessions provided at the Bothy to children, adolescents and their families. At end 2023 there were 21 trainees at the Bothy and 56 clients had attended therapy sessions there. All therapeutic services are delivered in-person and we continue to have a high volume of new client referrals which are overseen by our Clinical Lead.

Pamela Butler, our Head of Services and Development, oversees Terapia's service provision and is looking at ways to grow our services, through developing partnerships with outside organisations and working on projects such as the Hendon Collaboration project which helps tackle knife crime in schools.

Rooms at the Bothy are also regularly hired out to private users who provide therapy services. This provides an additional contribution to Terapia's therapeutic services when rooms would otherwise not be used by our trainees and we have been able to take on an additional member of staff for our reception team.

Terapia School Services

In 2023 Terapia School Services (TSS) continued to expand and provide excellent services in many primary and secondary schools in the North London area and Hertfordshire. TSS also now operates in number of schools outside London as it has organised clinical placements in schools for all students. Our Schools Services Manager works closely with each individual school in supporting Terapia's therapists in meeting the mental health needs of the children and young people they work with.

TSS also continued to run the Whole School Approach (WSA) project, funded by John Lyon's Charity for improving mental health and wellbeing in five local schools. The project has been overseen by Pamela Butler.

Our trainees also worked in three organisations:

- Onwards and Upwards (Leaving Care children)
- The London Fire Brigade - providing supervision for Fire Brigade professionals supporting Young People (8-18 years) who are fire setters.
- Hertfordshire Children's Residential Services and ARC.

At the end of 2023, 64 Students were on these placements each one seeing at least 3 children per week, thus providing therapy and counselling to just under 200 children and young people each week.

Senior Mental Health Lead training programme

In 2023 we continued to deliver a Senior Mental Health Leaders course, both in person and on Zoom. This course was approved and accredited by the Carnegie School of Education, Leeds Beckett University, and is delivered by Pamela Butler and Jonathan Block on behalf of Terapia, with consistently excellent feedback from participants who are largely drawn from the educational sector.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Bothy Charity Shop

The Bothy Charity Shop in North Finchley continues to thrive and bring in income to the charity. It is now well established in the local community, helping to promote the Charity, advertising the courses we offer and protecting the environment by upcycling and re-using goods. The shop employs two member of staff and has a number of volunteers. We opened a second Charity Shop in East Finchley in August 2024.

Events

In 2023 Terapia celebrated its 20th Anniversary with a Gala Dinner held at the Marriot Hotel in Swiss Cottage. This event also raised funds for the Friends of Terapia to help students facing financial difficulties meet course fees and other expenses.

We also hosted a book launch to celebrate the publication of "One Tree Many Branches: The Practice of Integrative Child and Adolescent Psychotherapy". This included chapters written by past and present Terapia Students on various subject issues, showcasing Terapia trainees' dissertation work and their achievements and knowledge gained at Terapia.

Risks and Mitigations

Despite another good year in terms of demand for Terapia's services and student numbers remaining steady for another year, we have risks to our services.

Terapia Training:

Risks:

1. Falls in future recruitment to our courses as students struggle to finance course fees due to higher living expenses and other costs.
2. Pressures on staffing costs as the result of lower number of students.
3. Difficulties in recruiting staff for some specific course subject areas.

How we plan to mitigate the risks:

1. If student numbers drop, the training allows for flexibility to employ fewer contractors, to offset the decrease in income.
2. Closely monitoring student numbers to help budgeting for staff costs.
3. Increased recruitment drive for new students, including a more defined strategy for advertising courses/using previous course enquiries.

Bothy Centre:

Risks:

1. Ongoing IT and phone problems affecting the services we provide.
2. Terapia's database no longer fit for purpose.

How we plan to mitigate the risks:

1. A new phone system with BT was set up in 2023, but issues with slow internet speeds affect all businesses in the locality. It is hoped we can all lobby BT to set up Fibre broadband which would improve internet speeds for everyone.
2. An IT expert is being consulted to advise on improvements to Terapia's IT.
3. Work has started on identifying requirements for a database to meet Terapia's training needs.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Conclusion

I am proud of Terapia and of our many achievements over the year and am grateful for the dedication and continued support of Terapia's teaching and admin staff throughout the year.

Thank you to our current Chair, Dipen Shah and the Board of Trustees for their ongoing support.

Bozena Merrick (Gmerek)
Chief Executive Officer and Clinical Director
Terapia
Dated:

TERAPIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TERAPIA

Opinion

We have audited the financial statements of Terapia (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

TERAPIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are those that relate to the reporting framework being the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the charitable company's Memorandum and Articles of Association, the Charities Act 2011, and the safe guarding legislation.
- We understood how the Charity is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including trustee meeting minutes.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of trustee meeting minutes.
- We assessed the susceptibility of the Charities's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the entity. We tested completeness of income through substantive tests performed and cut off tests on the revenue recognised.
- The Charity is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

TERAPIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

TC Group

.....

Statutory Auditor

5th Floor
3 Dorset Rise
London
EC4Y 8EN

TC Group is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

TERAPIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income from:							
Donations and legacies	2	432	-	432	39	-	39
Charitable activities	4	1,284,716	299,100	1,583,816	1,194,879	10,500	1,205,379
Other trading activities	3	101,385	-	101,385	76,516	-	76,516
Bank interest		2,818	-	2,818	-	-	-
Total income		1,389,351	299,100	1,688,451	1,271,434	10,500	1,281,934
Expenditure on:							
Charitable activities	5	1,290,752	88,518	1,379,270	1,225,760	78,518	1,304,278
Net income/(expenditure) for the year/							
Net movement in funds		98,599	210,582	309,181	45,674	(68,018)	(22,344)
Fund balances at 1 January 2023		245,837	1,638,240	1,884,077	200,163	1,706,258	1,906,421
Fund balances at 31 December 2023		344,436	1,848,822	2,193,258	245,837	1,638,240	1,884,077

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TERAPIA

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Property, plant and equipment	10		1,611,783		1,614,740
Current assets					
Trade and other receivables	11	335,047		113,346	
Cash at bank and in hand		475,840		425,795	
		810,887		539,141	
Current liabilities	12	(229,412)		(269,804)	
Net current assets			581,475		269,337
Total assets less current liabilities			2,193,258		1,884,077
Income funds					
Restricted funds	13		1,848,822		1,638,240
<u>Unrestricted funds</u>					
Designated funds	14	6,206		-	
General unrestricted funds		338,230		245,837	
			344,436		245,837
			2,193,258		1,884,077

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 27 September 2024

K E Malyali
Trustee

D Shah
Trustee

Company Registration No. 05523517

TERAPIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	18		74,631		141,134
Investing activities					
Purchase of property, plant and equipment		(27,404)		(755)	
Interest received		2,818		-	
Net cash used in investing activities			(24,586)		(755)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			50,045		140,379
Cash and cash equivalents at beginning of year			425,795		285,416
Cash and cash equivalents at end of year			475,840		425,795

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Terapia is a private company limited by guarantee incorporated in England and Wales. The registered office is at 17a East End Road, London, N3 3QE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, as course enrolments for 2024 and beyond are budgeted to continue to cover the charitable company's stable cost base. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Restricted funds

Restricted funds are to be used for the specific purpose as laid down by the donor. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs, where applicable.

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated from the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are set aside out of unrestricted funds by the trustees for specific purposes.

1.4 Income

Incoming resources from training, the associated delivery of services and related activities, and room rent is included on the Statement of Financial Activities when receivable.

Incoming grants are recognised once the charity has been notified of the donation and its receipt is probable.

Voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.

Goods donated to the charity shop are recognised at their fair value when material, however where it is not possible to assess the value of goods donated, as they are low value items which cannot be reliably measured, no income is recognised until the goods are sold.

Other income includes income from fundraising events organised by the charity.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Charitable grants, including any grants for the purchase of fixed assets, are recognised in the statement of Financial Activities in the year in which they are receivable. For grants or donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the grant or donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1.5 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 are allocated on the portion of the asset's use.

Outgoing resources are recognised in the period in which they are incurred. Resources expended include any attributable VAT which cannot be recovered. Support costs are allocated between charitable activities based on the percentage of total costs.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

The Bothy	Over the 75 year period of the lease
Leasehold improvements	Over the 5 year period of the lease
Fixtures, fittings & equipment	20% per annum on a reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	432	39

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

3 Other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Shop income	101,385	76,516

4 Charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £
Educational course fees and services	1,194,582	15,000	1,209,582	10,500	1,139,853	1,150,353
Room hire	76,208	-	76,208	-	54,053	54,053
Grant income	-	284,100	284,100	-	-	-
Other income	13,926	-	13,926	-	973	973
	<u>1,284,716</u>	<u>299,100</u>	<u>1,583,816</u>	<u>10,500</u>	<u>1,194,879</u>	<u>1,205,379</u>
Analysis by fund						
Unrestricted funds	1,284,716	-	1,284,716	-	1,194,879	1,194,879
Restricted funds	-	299,100	299,100	10,500	-	10,500
	<u>1,284,716</u>	<u>299,100</u>	<u>1,583,816</u>	<u>10,500</u>	<u>1,194,879</u>	<u>1,205,379</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Charitable activities

	Direct Training costs	Fundraising costs	The Bothy Renovation work	Whole School Approach	Hendon Collaboration Project	The Underprivileged Children's Fund	Total 2023	Total 2022
	2023	2023	2023	2023	2023	2023		
	£	£	£	£	£	£	£	£
Staff costs	107,164	29,571	-	27,594	4,903	-	169,232	189,573
Direct expenditure	548,296	50,905	23,093	25,240	6,138	1,550	655,222	605,415
	<u>655,460</u>	<u>80,476</u>	<u>23,093</u>	<u>52,834</u>	<u>11,041</u>	<u>1,550</u>	<u>824,454</u>	<u>794,988</u>
Support and governance costs (see note 6)	493,179	61,637	-	-	-	-	554,816	509,290
	<u>1,148,639</u>	<u>142,113</u>	<u>23,093</u>	<u>52,834</u>	<u>11,041</u>	<u>1,550</u>	<u>1,379,270</u>	<u>1,304,278</u>
Analysis by fund								
Unrestricted funds	1,148,639	142,113	-	-	-	-	1,290,752	1,225,760
Restricted funds	-	-	23,093	52,834	11,041	1,550	88,518	78,518
	<u>1,148,639</u>	<u>142,113</u>	<u>23,093</u>	<u>52,834</u>	<u>11,041</u>	<u>1,550</u>	<u>1,379,270</u>	<u>1,304,278</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Charitable activities

(Continued)

For the year ended 31 December 2022

	Direct Training costs £	Fundraising costs £	The Bothy Renovation work £	Whole School Approach £	Total 2022 £
Staff costs	121,186	22,833	-	45,554	189,573
Direct expenditure	531,988	40,463	23,093	9,871	605,415
	653,174	63,296	23,093	55,425	794,988
Share of support costs (see note 6)	466,897	42,393	-	-	509,290
	1,120,071	105,689	23,093	55,425	1,304,278
Analysis by fund					
Unrestricted funds	1,120,071	105,689	-	-	1,225,760
Restricted funds	-	-	23,093	55,425	78,518
	1,120,071	105,689	23,093	55,425	1,304,278

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Support and governance costs

	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff wages and salaries	186,470	-	186,470	163,373	163,373
Director's remuneration	96,665	-	96,665	98,148	98,148
Social security	31,652	-	31,652	42,217	42,217
Pensions	8,159	-	8,159	7,573	7,573
Rent	29,237	-	29,237	13,661	13,661
Insurance	6,893	-	6,893	6,241	6,241
Repairs and maintenance	5,362	-	5,362	4,433	4,433
Advertising and marketing	25,352	-	25,352	25,616	25,616
Recruitment costs	-	-	-	5,524	5,524
Computer costs	18,668	-	18,668	12,232	12,232
Provision for doubtful debts	8,692	-	8,692	17,565	17,565
Postage and stationery	11,826	-	11,826	10,325	10,325
Telephone and fax	562	-	562	565	565
Motor expenses	1,775	-	1,775	1,742	1,742
Travelling expenses	2,710	-	2,710	2,302	2,302
Legal and professional fees	8,058	-	8,058	7,726	7,726
Auditor's remuneration	-	12,600	12,600	-	11,400
Accountancy	34,105	-	34,105	31,567	31,567
Sundry expenses	25,576	-	25,576	12,665	12,665
Subscriptions	3,035	-	3,035	2,790	2,790
Bank charges	7,058	-	7,058	5,028	5,028
Depreciation	30,361	-	30,361	27,677	27,677
	<u>542,216</u>	<u>12,600</u>	<u>554,816</u>	<u>498,970</u>	<u>510,370</u>

7 Trustees

During this year and the previous year, no amounts were re-imbursed to trustees.

None of the current trustees are remunerated by the charity.

8 Employees

The average monthly number of employees, excluding the trustees, during the year was:

	2023 Number	2022 Number
Employees	<u>15</u>	<u>15</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

8 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	452,367	451,094
Social security costs	31,652	42,217
Other pension costs	8,159	7,573
	<u>492,178</u>	<u>500,884</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£90,000 - £100,000	<u>1</u>	<u>1</u>

9 Taxation

No liability arises as the charitable company is a registered charity and is therefore exempt from taxation on the income arising from its normal activities.

10 Property, plant and equipment

	The Bothy £	Leasehold improvements £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2023	1,730,447	-	58,803	1,789,250
Additions	-	17,214	10,190	27,404
	<u>1,730,447</u>	<u>17,214</u>	<u>68,993</u>	<u>1,816,654</u>
At 31 December 2023				
Depreciation and impairment				
At 1 January 2023	134,041	-	40,469	174,510
Depreciation charged in the year	23,093	2,582	4,686	30,361
	<u>157,134</u>	<u>2,582</u>	<u>45,155</u>	<u>204,871</u>
At 31 December 2023				
Carrying amount				
At 31 December 2023	<u>1,573,313</u>	<u>14,632</u>	<u>23,838</u>	<u>1,611,783</u>
At 31 December 2022	<u>1,596,406</u>	<u>-</u>	<u>18,334</u>	<u>1,614,740</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11 Trade and other receivables

	2023 £	2022 £
Amounts falling due within one year:		
Trade receivables	65,843	49,649
Prepayments and accrued income	122,604	63,697
	<u>188,447</u>	<u>113,346</u>
Amounts falling due after more than one year:		
Prepayments and accrued income	<u>146,600</u>	<u>-</u>
Total debtors	<u>335,047</u>	<u>113,346</u>

12 Current liabilities

	2023 £	2022 £
Other taxation and social security	13,351	12,911
Trade payables	22,238	19,208
Other payables	1,571	1,827
Accruals and deferred income	192,252	235,858
	<u>229,412</u>	<u>269,804</u>

Included in creditors is deferred income of £155,929 (2022: £200,967) which relates to 2024 course fees received in advance.

13 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023 £	Incoming resources £	Resources expended £	At 31 December 2023 £
The Bothy renovation work	1,596,406	-	(23,093)	1,573,313
The Underprivileged Children's fund	4,000	-	(1,550)	2,450
Whole School Approach	37,834	178,600	(52,834)	163,600
The Hendon Collaboration Project	-	120,500	(11,041)	109,459
	<u>1,638,240</u>	<u>299,100</u>	<u>(88,518)</u>	<u>1,848,822</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Restricted funds (Continued)

Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
The Bothy renovation work	1,619,499	-	(23,093)	1,596,406
The Underprivileged Children's fund	4,000	-	-	4,000
Whole School Approach	82,759	10,500	(55,425)	37,834
	<u>1,706,258</u>	<u>10,500</u>	<u>(78,518)</u>	<u>1,638,240</u>

The Bothy restricted fund relates to specific donations received for the purpose of renovating a property which has been leased to the Charity on a long-term basis to be used in connection with the charity's purpose of providing a therapeutic centre for children, young adults and their families.

The Underprivileged Children's fund is used to enable young people and their families to access the therapeutic services associated with educational courses.

The Whole School Approach fund is used to provide holistic therapeutic services, associated with educational courses, to entire school communities. This has been primarily funded by a grant from John Lyon's Charity beginning in 2021 which was pledged to contribute £133,000 over three years. Another grant from John Lyon's Charity was pledged in 2023, to contribute £163,600 over a further 3 years, commencing December 2023.

The Hendon Collaboration Project fund is used to provide holistic therapeutic services, associated with educational courses, to disadvantaged students at St Mary's and St John's CE School. This has been primarily funded by a separate grant from John Lyon's Charity, which was pledged to contribute £120,500 over 3 years, commencing September 2024.

14 Unrestricted and designated funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Student Funding Scheme	-	6,206	-	6,206
General funds	245,837	1,383,145	(1,290,752)	338,230
	<u>245,837</u>	<u>1,389,351</u>	<u>(1,290,752)</u>	<u>344,436</u>
 Previous year:	 At 1 January 2022	 Incoming resources	 Resources expended	 At 31 December 2022
	£	£	£	£
General funds	200,163	1,271,434	(1,225,760)	245,837

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

15 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:						
Property, plant and equipment	38,470	1,573,313	1,611,783	18,334	1,596,406	1,614,740
Net current assets	305,966	275,509	581,475	227,503	41,834	269,337
	<u>344,436</u>	<u>1,848,822</u>	<u>2,193,258</u>	<u>245,837</u>	<u>1,638,240</u>	<u>1,884,077</u>

16 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	52,306	31,706
Between two and five years	157,742	125,235
In over five years	-	8,663
	<u>210,048</u>	<u>165,604</u>

17 Related party transactions

J Block, a previous trustee of Terapia and spouse of a member of key management, is also a director and shareholder of Head Teacher Research Limited. During the year ended 31 December 2023 the charitable company paid £6,005 (2022: £6,577) for supplies and services to Head Teacher Research Limited.

N Rolli, a trustee of Terapia, provided teaching to two groups of students. During the year she received £2,771 (2022: £1,700) for services rendered.

18 Cash generated from operations

	2023 £	2022 £
Surplus/(deficit) for the year	309,181	(22,344)
Adjustments for:		
Interest received	(2,818)	-
Depreciation of property, plant and equipment	30,361	27,677
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(221,701)	28,712
(Decrease)/increase in trade and other payables	(40,392)	107,089
Cash generated from operations	<u>74,631</u>	<u>141,134</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

19 Analysis of changes in net funds

The charity had no material debt during the year.

TERAPIA

England & Wales - Charity number 1144041

Accounts

Charity registration number 1144041

Company registration number 05523517 (England and Wales)

TERAPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

TERAPIA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K E Malyali A Ali N J Rolli L J Fuller D Shah R Alberto	(Appointed 26 January 2023)
Charity number	1144041	
Company number	05523517	
Principal address	Terapia Centre 17a East End Road Finchley London N3 3QE	
Registered office	17a East End Road London N3 3QE	
Auditor	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR	
Bankers	Santander UK Plc Customer Service Centre Bootle Merseyside L30 4GB	

TERAPIA

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TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also directors of the charitable company for the purpose of the Companies Act 2006, present their report and accounts for the year ended 31 December 2022.

The accounts have been prepared in accordance with the accounting policies set out in Note 1, the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charitable company is a registered charity which exists to provide relief of the mental and emotional distress of children, adolescents, adults, carers and families in need of professional help, through counselling, psychotherapy, training, advice and support and to advance the education of the general public in all areas relating to child, adolescent and adult counselling and psychotherapy.

Public Benefit Statement

The trustees confirm that they have complied with their duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

How	Terapia's	Activities	Deliver	Public	Benefit
Terapia's activities are geared to deliver public benefit in the following ways:					

- by providing training for counsellors and psychotherapists, who then utilise their acquired knowledge and skills by providing a counselling and psychotherapy service for clients of differing ages and developmental backgrounds and from diverse social and cultural backgrounds who may present a wide range of emotional, developmental, social and behavioural issues;
- by offering low cost and free of charge counselling and psychotherapy to children, young people, parents and families. This comprehensive and wide-ranging service is provided pro bono by Terapia's trainees. The students' clinical work is supported by Terapia's tutors and clinical supervisors who are qualified Child and Adolescent Counsellors and Psychotherapists.

Terapia is a uniquely integrative school which, unlike most other existing training providers, explores all the leading approaches to Child Psychotherapy. The school is one of the first in the UK to offer training from this perspective. Most of the training takes place through weekly seminars, weekend lectures and tutorials. A balance of theoretical and experiential learning is offered at Terapia.

Terapia's training function has been in operation for 20 years. The rapid growth of the organisation provides reassurance that Terapia is filling a need for such training and services in the country.

Terapia is an organisational member of the British Association for Counselling and Psychotherapy (BACP) and an accredited member of United Kingdom Council for Psychotherapy (UKCP). The courses are also validated by the Middlesex University.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

Reports of Officers and Committees 1 January 2022 to 31 December 2022

Terapia's Board of Trustees comprises volunteers who are legally responsible for the charity and ensuring the charity acts in line with its charitable purposes for the public benefit. They must ensure that the charity complies with the charities governing documents and the law and is accountable. They also oversee the management of the charity's resources.

There are currently 6 Board members who meet on a regular basis, acting in Terapia's best interests and abiding by the principles of accountability, integrity and honesty and transparency

The Board of Trustees met three times in 2022. Minutes are provided for meetings on 14 March and on 8 September. The Board meeting on 6 June was inquorate and no minutes were taken.

Ethics Committee Report

Terapia's Ethics and Complaints Committee is responsible for assuring the ethical conduct and principles of Terapia's students, supervisors, tutors and graduates. Our aim is to ensure that Terapia's policies and procedures are up-to-date, maintain good standards of practice in accordance with government policy and legislation as it relates to children and young persons and UKCP guidelines, and meets the needs and circumstances specific to psychotherapeutic work with children. Our main function is to assist Terapia and to resolve complicated ethical matters in a timely and respectful manner.

The Committee should consist of three members, one of which should be a child psychotherapy practitioner and one person could be an administrator employed by Terapia. The Committee meets and holds discussions on a termly basis, or more frequently, if required.

Following resignations of previous committee members in 2021, the Ethics Committee, comprising three new members, met for a preliminary discussion. However there was a potential conflict of interest with one of the new members recruited, and unfortunately the committee did not meet again. It has been difficult finding further new members in order for the committee to be reinstated.

There were no complaints against Terapia in 2022.

Financial review

Details of income and expenditure for the year are shown on page 12. The trustees are pleased with the financial position and performance, given the uncertainty faced as a result of Covid and the recent cost of living crisis.

Incoming resources amounted to £1,281,934, a gain of £43,933 when compared to the previous year. The costs of managing the charitable company were £1,304,278 for the year as opposed to £1,214,674 for the previous year.

Reserves Policy

The trustees have established a policy whereby the charitable company aspires to maintain unrestricted funds equivalent to at least three months of average operating costs. The trustees also regularly monitor and review the level of free resources available to the charitable company. The total unrestricted funds at the balance sheet date were £245,837 (2021: £200,163). The restricted funds held at the balance sheet date totalled £1,638,240, (2021: £1,706,258).

Investment Policy

The trustees have considered the most appropriate policy for investing funds and this will be in bank deposit accounts which will ensure the funds are readily available at all times.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Risk Review

The trustees have conducted their own review of the major risks to which the charitable company is exposed and systems have been established to mitigate those risks. The trustees have not identified any major risk with regards to future income streams. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality for all operational aspects of the charitable company. These procedures will be periodically reviewed to ensure that they still meet the requirements of the charitable company. The charitable company's policies proved robust in the face of the challenges raised by Covid and recent escalations in the cost of living. Aging IT and Telephone infrastructure continues to prove a challenge and improvements are under review by the Board.

Plans for the future

Terapia Training Branch:

- To prepare and successfully pass re-accreditation by Middlesex University. A new training programme has been proposed.
- To prepare for and implement the new MA training programme agreed with Middlesex University to start in 2024
- To continue to recruit new core staff for the training (tutors, clinical and observation supervisors)
- To increase take up of Senior Mental Health Lead Training and increase the numbers of trained Senior Mental Health Leads

Terapia Clinical Services:

- To develop further and expand provision of Terapia's clinical services
- To offer each student a clinical placement as part of their training.
- To strengthen the current infrastructure of the service by reviewing existing policies
- To further develop group therapy service in accordance with Terapia's bespoke group program
- To secure funding for the next phase of the Whole School Approach Project (WSA) for improving mental health and wellbeing in five local schools

Terapia Centre

- To ensure the Sensory Room is utilised, by promoting it via advertising and marketing
- To increase the number of clients at the Bothy.
- To fully utilise new premises identified

Structure, governance and management

Terapia is a charitable company limited by guarantee without share capital.

The charitable company was incorporated on 1 August 2005 and is governed by the revised Memorandum and Articles of Association adopted by special resolution and filed with Companies House on 21 September 2011, and the Charities Act 2011. It was registered as a charity with the Charity Commission on 29 September 2011.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

T Tasnim	(Resigned 8 June 2022)
L P Ross	(Resigned 8 September 2022)
K E Malyali	
A Ali	
N J Rolli	
L J Fuller	
B Allahvaisi	(Resigned 8 September 2022)
F J Keeley	(Resigned 8 September 2022)
D Shah	
R Alberto	(Appointed 26 January 2023)

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Recruitment and Appointment of Management Committee

The charitable company's trustees are also directors of the charitable company for the purposes of charity law and under the Company's Articles are known as members of the Management Committee. Under the requirements of the Company's Articles the members of the Management Committee are elected to serve for a period of one year, after which, if still willing to serve, they must be re-elected at the next Annual General Meeting.

All trustee members of the Management Committee give their time voluntarily and receive no benefits from the charitable company, other than as disclosed in Note 8 of the accounts.

Two of the trustees are Terapia trained therapists who ensure the Management Committee remains focused on the practicalities of achieving the charitable company's aims.

Governance

Corporate governance and decision making

The Board of trustees continually keeps the operation and effectiveness of the governance structure under review. Strategic and operational planning, risk management, and budget planning processes are in place and reviewed annually.

The Chief Executive Officer is responsible for the day to day running of the organisation. Her work is supported by the Training Director, Training Clinical Lead and a PA. An Academic Coordinator also provides administrative support to teaching staff and students.

All decision making of the training branch of the organisation takes place within the Training Committee. This also provides quality assurance for all aspects of the course. The committee comprises the core training staff - the CEO, Director of Training and Training Clinical Lead.

All decision making for the Therapeutic Services takes place within the Services Committee which consists of the CEO, Services Clinical Lead and the Head of School Services and Development. Terapia's organisational activities are supported by the Ethics Committee.

The regular reviews and audits conducted by the United Kingdom Council for Psychotherapy (UKCP) and Middlesex University provide assurance on Terapia's professional activities, with risk management and control systems in operation, as well as providing an input to continuous improvement processes. A UKCP Review took place in 2022 which Terapia successfully passed.

Clinical governance

Terapia's Training and Services Clinical Leads and Ethics Committee, in conjunction with internal clinical supervisors, provide a quality of service which meets the changing demands of law, regulation and standards of best practice related to child and adolescent mental health. They implement appropriate evidence based performance standards and have a regular evaluation of the service systems in place.

The Training Committee comprises the core training staff. The Training Committee is a decision-making body and provides quality assurance for all aspects of the course.

Trustee Induction and Training

Trustees are already familiar with the operational work of the charitable company, and have extended their knowledge through reading the charitable company's training and information literature as well as through discussion sessions with the CEO and other staff.

Fundraising

The Bothy Shop continues to raise funds for the charity. The Trustees would like to acknowledge the generosity of those who donated and bought goods and would like to thank the shop staff and volunteers who generously give up their time to help out in the charity shop, which helps to generate much needed income that's used for our charitable objectives.

We are also grateful for financial donations and grants made. All money received will be used to further our charitable purposes, subject to restrictions imposed by the donors.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of trustees' responsibilities

The trustees, who are also the directors of Terapia for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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.

Auditor

In accordance with the company's articles, a resolution proposing that Citroen Wells be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

D Shah

Trustee

Dated: 26 September 2023

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Report from Bozena Merrick, CEO and Founder.

In 2022 all Terapia's activities returned to their status pre-COVID with in-person teaching, supervision, observation studies and the provision of psychotherapeutic services resuming face to face and to the pre-pandemic standards. However, majority of students are behind with their coursework and the pandemic had a detrimental effect on their personal and professional development.

Clients returned to having therapy in person at The Bothy Centre. The continued surge in mental health issues, linked to isolation during Covid 19 has led to increased demand for our therapeutic services, highlighting the importance of the work we do and the difference this makes to peoples' lives and their futures. In the later part of 2022, we identified new premises to enable us to expand our training and the services we deliver.

Bothy Centre and Terapia Services

The Bothy, our Victorian Grade II Listed Building, in the grounds of Stephen's House and Gardens in Finchley, North London is a shared community space devoted to both education and psychotherapeutic and counselling provision for children, young people and families. The centre cares for children of all ages, races and cultures, special/additional needs, who live in the Barnet area and North London and need specialist psychological help.

We are proud of the fantastic training facilities we offer at The Bothy, including a suite of therapy and play therapy rooms and a sensory room. The therapeutic environment begins when you enter through the Bothy Gardens and continues in the building when you pass the beautiful living walls. The centre is admired by trainees, tutors and clients and their families, enhancing both the teaching and therapeutic work we do.

The Therapeutic Services we offer are now all in-person at the Bothy, rather than being provided remotely. We have had a high volume of new client referrals as a result of the pandemic and worsening cost of living crisis. Our psychotherapy trainees who deliver therapy services are supervised in small groups and are also supported by our Clinical Lead, Sacha Richardson on clinical and management issues.

There is potential for the development of Terapia's services. We have carried out an audit of rooms to improve them further and are aiming to maximise their use during all times of the day. The sensory room could also be used more in the future.

Terapia Training

This year we had the United Kingdom Council for Psychotherapy (UKCP) Quinquennial Review of our training services. We passed this with flying colours, securing accreditation for the next five years. The feedback from the review was exceptionally positive. I would like to thank staff and others who were involved with preparing the paperwork for the review and who participated on the day, talking and meeting with the online UKCP Reviewers.

In 2021 we effectively recruited trainees to start in January 2022 filling both our daytime and evening cohorts, thus ensuring another financially successful year for Terapia. Some students have not continued into the later modules but these groups remain financially viable as employing less supervisors for the cohort reduces the overall training costs for this group. In 2022 recruitment for 2023 was further stepped up. Advertising channels included a leaflet drop throughout North London, Therapy magazines and the Mind Body & Spirit Festival. By Autumn 2022, Module 1 of our course was completely full for both the daytime and evening training, with 40 new students starting in January 2023.

We have continued to need to recruit new tutors and supervisors, but overall, there has been greater staff stability this year. We also successfully recruited for a PA to the CEO and for the Academic Coordinator position to support the Director of Training.

This year we ran our Supervision training programme on a weekday (rather than weekends as previously). Sufficient numbers made the course break even, but in future we will revert to holding the course on a weekend which we have found is more popular with psychotherapists.

We are looking at changing our MA programme and starting work on this in 2023. In October 2023 we are holding a Validation event with Middlesex University.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Terapia School Services

In 2022 Terapia School Services (TSS) continued its growth and is an amazing success. The number of schools participating continues to increase, including many secondary schools in the North London area and Hertfordshire. Our Schools Services Coordinator in 2022, Pamela Butler, worked closely with each individual school and supported Terapia's therapists in meeting the mental health needs of the children and young people they worked with.

TSS also continued to run the Whole School Approach (WSA) project, funded by John Lyon's Charity for improving mental health and wellbeing in five local schools. The project has been overseen by Pamela Butler.

Our trainees also worked in three organisations:

- Onwards and Upwards (Leaving Care children)
- The London Fire Brigade - providing supervision for Fire Brigade professionals supporting Young People (8-18 years) who are fire setters.
- Barnet Specialist Autism Service – providing clinical supervision

Senior Mental Health Lead training programme

We have also been delivering a Senior Mental Health Leaders course, both in person and on Zoom. This course was approved and accredited by the Carnegie School of Education, Leeds Beckett University, and is delivered by Pamela Butler and Jonathan Block on behalf of Terapia, with consistently excellent feedback from participants who are largely drawn from the educational sector.

The Bothy Charity Shop

The Bothy Charity Shop in North Finchley continues to thrive and bring in income to the charity. It is now well established in the local community, helping to promote the Charity, advertise the courses we offer and saving the planet by upcycling and re-using goods. The shop employs three member of staff and has a number of volunteers. There were some changes to personnel in 2022, including a new Manager.

Events

A group from Terapia, including myself and some tutors, presented papers and led workshops at a Psychotherapy conference in Lausanne, Switzerland which was organised by the Society for the Exploration of Psychotherapy Integration. At this event, we met with people interested in working as child and adolescent psychotherapists, raising the profile of Terapia and child psychotherapy in general.

Risks and Mitigations

As the current cost of living crisis is escalating, we can identify the following risks to the organisation:

Terapia Training:

Risks:

1. Students struggling to finance their course as their living expenses increase
2. Pressures on staffing costs as the result of lower number of students

Bothy Centre

1. Increasing cost of utility bills affecting premises
2. Lower number of external hirers affecting the overall income from the Centre

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

How we plan to mitigate the risks:

Terapia Training:

1. If student numbers drop, the training allows for flexibility to employ less contractors, to offset the decrease in income. We can also look to replace students who could drop out by further recruitment.
1. Closely monitoring student numbers to help budgeting for staff costs.

Bothy Centre:

3. The contract for both electricity and gas was renewed with British Gas on 18 June 2022 for two years, protecting us from any rising prices for the next two years.
4. To increase the number of trainees working with clients at the Bothy to replace the number of external hirers as there is much higher income from trainees working than from room hire.

Conclusion

I am proud of Terapia and of our many achievements over the year and am grateful for the dedication and continued support of Terapia's teaching and admin staff throughout the year.

Thank you to both our previous Chair of Trustees Laurence Ross and our current Chair, Dipen Shah and the Board of Trustees for their ongoing support.

Bozena Merrick (Gmerek)
Chief Executive Officer and Clinical Director
Terapia
Dated: 26 September 2023

TERAPIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TERAPIA

Opinion

We have audited the financial statements of Terapia (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

TERAPIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are those that relate to the reporting framework being the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the charitable company's Memorandum and Articles of Association, the Charities Act 2011, and the safe guarding legislation.
- We understood how the Charity is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including trustee meeting minutes.
- We assessed the susceptibility of the Charities's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the entity. We tested completeness of income through substantive tests performed and cut off tests on the revenue recognised.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of trustee meeting minutes.
- The Charity is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

TERAPIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Citroen Wells

26 September 2023

**Chartered Accountants
Statutory Auditor**

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

TERAPIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	2	39	-	39	26	50	76
Charitable activities	4	1,194,879	10,500	1,205,379	1,029,226	140,000	1,169,226
Other trading activities	3	76,516	-	76,516	56,539	-	56,539
Other income	5	-	-	-	12,160	-	12,160
Total income		1,271,434	10,500	1,281,934	1,097,951	140,050	1,238,001
<u>Expenditure on:</u>							
Charitable activities	6	1,225,760	78,518	1,304,278	1,134,353	80,321	1,214,674
Gross transfers between funds		-	-	-	(26,675)	26,675	-
Net income/(expenditure) for the year/							
Net movement in funds		45,674	(68,018)	(22,344)	(63,077)	86,404	23,327
Fund balances at 1 January 2022		200,163	1,706,258	1,906,421	263,240	1,619,854	1,883,094
Fund balances at 31 December 2022		245,837	1,638,240	1,884,077	200,163	1,706,258	1,906,421

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TERAPIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	18		141,134		9,435
Investing activities					
Purchase of property, plant and equipment		(755)		(26,675)	
		<u></u>		<u></u>	
Net cash used in investing activities			(755)		(26,675)
Net cash used in financing activities			-		-
			<u></u>		<u></u>
Net increase/(decrease) in cash and cash equivalents			140,379		(17,240)
Cash and cash equivalents at beginning of year			285,416		302,656
			<u></u>		<u></u>
Cash and cash equivalents at end of year			<u>425,795</u>		<u>285,416</u>

TERAPIA

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Property, plant and equipment	11		1,614,740		1,641,662
Current assets					
Trade and other receivables	12	113,346		142,058	
Cash at bank and in hand		425,795		285,416	
		<u>539,141</u>		<u>427,474</u>	
Current liabilities	13	(269,804)		(162,715)	
Net current assets			269,337		264,759
Total assets less current liabilities			<u>1,884,077</u>		<u>1,906,421</u>
Income funds					
Restricted funds	14		1,638,240		1,706,258
Unrestricted funds			245,837		200,163
			<u>1,884,077</u>		<u>1,906,421</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 26 September 2023

K E Malyali
Trustee

D Shah
Trustee

Company Registration No. 05523517

TERAPIA

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

1 Accounting policies

Charity information

Terapia is a private company limited by guarantee incorporated in England and Wales. The registered office is at 17a East End Road, London, N3 3QE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Prior period error

The comparative financial statements, covering the year ended 31 December 2021, have been restated for the understatement of deferred income at the prior year end by £23,365. As a result, the profit and the net assets for the year had been overstated by £23,365.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, as course enrolments for 2023 and beyond are budgeted to continue to cover the charitable company's stable cost base. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Restricted funds

Restricted funds are to be used for the specific purpose as laid down by the donor. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs, where applicable.

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated from the objects of the charity without further specified purpose and are available as general funds.

1.5 Income

Incoming resources from training, delivery of services and related activities is included on the Statement of Financial Activities when receivable.

Voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.

Goods donated to the charity shop are recognised at their fair value when material, however where it is not possible to assess the value of goods donated, as they are low value items which cannot be reliably measured, no income is recognised until the goods are sold.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Charitable grants, including any grants for the purchase of fixed assets, are recognised in the statement of Financial Activities in the year in which they are receivable. For grants or donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the grant or donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1.6 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 are allocated on the portion of the asset's use.

Outgoing resources are recognised in the period in which they are incurred. Resources expended include any attributable VAT which cannot be recovered. Support costs are allocated between charitable activities based on the percentage of total costs.

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

The Bothy	Over the 75 year period of the lease
Fixtures, fittings & equipment	20% per annum on a reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022 £	2021 £	2021 £	2021 £
Donations and gifts	39	26	50	76

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Shop income	76,516	56,539

4 Charitable activities

	Unrestricted funds	Restricted funds	Total	Restricted funds	Unrestricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Delivery of services	-	10,500	10,500	7,000	-	7,000
Course fees	1,194,879	-	1,194,879	-	1,029,226	1,029,226
Grant income	-	-	-	133,000	-	133,000
	<u>1,194,879</u>	<u>10,500</u>	<u>1,205,379</u>	<u>140,000</u>	<u>1,029,226</u>	<u>1,169,226</u>
Analysis by fund						
Unrestricted funds	1,194,879	-	1,194,879	-	1,029,226	1,029,226
Restricted funds	-	10,500	10,500	140,000	-	140,000
	<u>1,194,879</u>	<u>10,500</u>	<u>1,205,379</u>	<u>140,000</u>	<u>1,029,226</u>	<u>1,169,226</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Government grants	-	12,160

6 Charitable activities

	Direct Training costs 2022 £	Fundraising costs 2022 £	The Bothy Renovation work 2022 £	Whole School Approach 2022 £	Total 2022 £	Total 2021 £
Staff costs	121,186	22,833	-	45,554	189,573	177,005
Direct expenditure	531,988	40,463	23,093	9,871	605,415	558,596
	653,174	63,296	23,093	55,425	794,988	735,601
Support and governance costs (see note 7)	466,897	42,393	-	-	509,290	479,073
	1,120,071	105,689	23,093	55,425	1,304,278	1,214,674
Analysis by fund						
Unrestricted funds	1,120,071	105,689	-	-	1,225,760	1,134,353
Restricted funds	-	-	23,093	55,425	78,518	80,321
	1,120,071	105,689	23,093	55,425	1,304,278	1,214,674

For the year ended 31 December 2021

	Direct Training costs £	Fundraising costs £	The Bothy Renovation work £	Whole School Approach £	Total 2021 £
Staff costs	104,389	27,062	-	45,554	177,005
Direct expenditure	484,669	39,160	23,030	11,737	558,596
	589,058	66,222	23,030	57,291	735,601
Share of support costs (see note 7)	430,658	48,415	-	-	479,073
	1,019,716	114,637	23,030	57,291	1,214,674

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

(Continued)

Analysis by fund

Unrestricted funds	1,019,716	114,637	-	-	1,134,353
Restricted funds	-	-	23,030	57,291	80,321
	<u>1,019,716</u>	<u>114,637</u>	<u>23,030</u>	<u>57,291</u>	<u>1,214,674</u>

7 Support and governance costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff wages and salaries	163,373	-	163,373	148,004	148,004
Director's remuneration	98,148	-	98,148	91,910	91,910
Social security	42,217	-	42,217	37,910	37,910
Pensions	7,573	-	7,573	6,693	6,693
Rent	13,661	-	13,661	17,385	17,385
Insurance	6,241	-	6,241	4,800	4,800
Repairs and maintenance	4,433	-	4,433	4,362	4,362
Advertising and marketing	25,616	-	25,616	22,967	22,967
Recruitment costs	5,524	-	5,524	8,562	8,562
Computer costs	12,232	-	12,232	12,581	12,581
Provision for doubtful debts	17,565	-	17,565	6,391	6,391
Postage and stationery	10,325	-	10,325	7,095	7,095
Telephone and fax	565	-	565	442	442
Motor expenses	1,742	-	1,742	1,698	1,698
Travelling expenses	2,302	-	2,302	178	178
Legal and professional fees	7,726	-	7,726	8,558	8,558
Auditor's remuneration	-	11,400	11,400	15,600	15,600
Accountancy	31,567	-	31,567	32,386	32,386
Sundry expenses	12,665	-	12,665	15,134	15,134
Subscriptions	2,790	-	2,790	3,793	3,793
Bank charges	5,028	-	5,028	4,049	4,049
Depreciation	27,677	-	27,677	28,575	28,575
	<u>498,970</u>	<u>11,400</u>	<u>510,370</u>	<u>463,473</u>	<u>479,073</u>

8 Trustees

During this year and the previous year, no amounts were re-imbursed to trustees.

None of the current trustees are remunerated by the charity.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Employees

The average monthly number of employees, excluding the trustees, during the year was:

	2022 Number	2021 Number
Employees	15	13

Employment costs	2022 £	2021 £
Wages and salaries	451,094	416,919
Social security costs	42,217	37,910
Other pension costs	7,573	6,693
	500,884	461,522

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£90,000 - £100,000	1	1

10 Taxation

No liability arises as the charitable company is a registered charity and is therefore exempt from taxation on the income arising from its normal activities.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Property, plant and equipment

	The Bothy	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2022	1,730,447	85,552	1,815,999
Additions	-	755	755
Disposals	-	(27,504)	(27,504)
At 31 December 2022	1,730,447	58,803	1,789,250
Depreciation and impairment			
At 1 January 2022	110,948	63,389	174,337
Depreciation charged in the year	23,093	4,584	27,677
Eliminated in respect of disposals	-	(27,504)	(27,504)
At 31 December 2022	134,041	40,469	174,510
Carrying amount			
At 31 December 2022	1,596,406	18,334	1,614,740
At 31 December 2021	1,619,499	22,163	1,641,662

12 Trade and other receivables

	2022	2021
	£	£
Amounts falling due within one year:		
Trade receivables	49,649	39,170
Prepayments and accrued income	63,697	62,888
	113,346	102,058
Amounts falling due after more than one year:		
Prepayments and accrued income	-	40,000
Total debtors	113,346	142,058

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Current liabilities

	2022 £	2021 £
Other taxation and social security	12,911	12,403
Trade payables	19,208	9,159
Other payables	1,827	1,606
Accruals and deferred income	235,858	139,547
	<u>269,804</u>	<u>162,715</u>

Included in creditors is deferred income of £200,967 (2021: £113,312) which relates to 2023 course fees received in advance.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 January 2021	Incoming Resources	Resources Expended	Fund transfers	Balance at 1 January 2022	Incoming Resources	Resources Expended	Balance at 31 December 2022
	£	£	£	£	£	£	£	£
The Bothy renovation work	1,615,854	-	(23,030)	26,675	1,619,499	-	(23,093)	1,596,406
The Underprivileged Children's fund	4,000	-	-	-	4,000	-	-	4,000
Whole School Approach	-	140,050	(57,291)	-	82,759	10,500	(55,425)	37,834
	<u>1,619,854</u>	<u>140,050</u>	<u>(80,321)</u>	<u>26,675</u>	<u>1,706,258</u>	<u>10,500</u>	<u>(78,518)</u>	<u>1,638,240</u>

The Bothy restricted fund relates to specific donations received for the purpose of renovating a property which has been leased to the Charity on a long-term basis to be used in connection with the charity's purpose of providing a therapeutic centre for children, young adults and their families.

The Underprivileged Children's fund is used to enable young people and their families who could not otherwise afford it to access therapeutic services.

The Whole School Approach fund is used to provide holistic therapeutic services to entire school communities. This has been primarily funded by a grant from John Lyon's Charity beginning in 2021 which was pledged to contribute £133,000 over three years.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Property, plant and equipment	18,334	1,596,406	1,614,740	22,163	1,619,499	1,641,662
Net current assets	227,503	41,834	269,337	178,000	86,759	264,759
	<u>245,837</u>	<u>1,638,240</u>	<u>1,884,077</u>	<u>200,163</u>	<u>1,706,258</u>	<u>1,906,421</u>

16 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	31,706	31,706
Between two and five years	125,235	10,688
In over five years	8,663	-
	<u>165,604</u>	<u>42,394</u>

17 Related party transactions

J Block, a previous trustee of Terapia and spouse of a member of key management, is also a director and shareholder of Head Teacher Research Limited. During the year ended 31 December 2022 the charitable company paid £6,577 (2021: £6,836) for supplies and services to Head Teacher Research Limited.

N Rolli, a trustee of Terapia provided teaching to two groups of students. During the year she received £1,700 (2021: £nil) for services rendered.

18 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(22,344)	23,327
Adjustments for:		
Depreciation of property, plant and equipment	27,677	28,575
Movements in working capital:		
Decrease/(increase) in trade and other receivables	28,712	(82,517)
Increase in trade and other payables	107,089	40,050
Cash generated from operations	<u>141,134</u>	<u>9,435</u>

TERAPIA

England & Wales - Charity number 1144041

Accounts

Charity Registration No. 1144041

TERAPIA
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

TERAPIA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K E Malyali A Ali N J Rolli L J Fuller D Shah
Charity number	1144041
Company number	05523517
Principal address	Terapia Centre 17a East End Road Finchley London N3 3QE
Registered office	17a East End Road London N3 3QE
Auditor	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR
Bankers	Santander UK Plc Customer Service Centre Bootle Merseyside L30 4GB

TERAPIA

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TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 DECEMBER 2021*

The trustees, who are also directors of the charitable company for the purpose of the Companies Act 2006, present their report and accounts for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in Note 1, the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charitable company is a registered charity which exists to provide relief of the mental and emotional distress of children, adolescents, adults, carers and families in need of professional help, through counselling, psychotherapy, training, advice and support and to advance the education of the general public in all areas relating to child, adolescent and adult counselling and psychotherapy.

Public Benefit Statement

The trustees confirm that they have complied with their duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

How Terapia's Activities Deliver Public Benefit

Terapia's activities are geared to deliver public benefit in the following ways:

- by providing training for counsellors and psychotherapists, who then utilise their acquired knowledge and skills by providing a counselling and psychotherapy service for clients of differing ages and developmental backgrounds and from diverse social and cultural backgrounds who may present a wide range of emotional, developmental, social and behavioural issues;
- by offering low cost and free of charge counselling and psychotherapy to children, young people, parents and families. This comprehensive and wide-ranging service is provided pro bono by Terapia's trainees. The students' clinical work is supported by Terapia's tutors and clinical supervisors who are qualified Child and Adolescent Counsellors and Psychotherapists.

Terapia is a uniquely integrative school which, unlike most other existing training providers, explores all the leading approaches to Child Psychotherapy. The school is one of the first in the UK to offer training from this perspective. Most of the training takes place through weekly seminars, weekend lectures and tutorials. A balance of theoretical and experiential learning is offered at Terapia.

Terapia's training function has been in operation for seventeen years. The rapid growth of the organisation provides reassurance that Terapia is filling a need for such training and services in the country.

Terapia is an organisational member of the British Association for Counselling and Psychotherapy (BACP) and an accredited member of United Kingdom Council for Psychotherapy (UKCP). The courses are also validated by the Middlesex University.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

Reports of Officers and Committees 1 January 2021 to 31 December 2021

Ethics Committee Report

Terapia's Ethics and Complaints Committee is responsible for assuring the ethical conduct and principles of Terapia's students, supervisors, tutors and graduates. Our aim is to ensure that Terapia's policies and procedures are up-to-date, maintain good standards of practice in accordance with government policy and legislation as it relates to children and young persons and UKCP guidelines, and meets the needs and circumstances specific to psychotherapeutic work with children. Our main function is to assist Terapia and to resolve complicated ethical matters in a timely and respectful manner.

The Committee should consist of three members, one of which should be a child psychotherapy practitioner and one person could be an administrator employed by Terapia. The Committee meets and holds discussions on a termly basis, or more frequently, if required.

In 2021 all three members of the committee resigned and due to the pandemic it was not possible to recruit new members. By December 2021 Terapia had advertised several times for new members.

There were no complaints against Terapia in 2021.

Financial review

Details of income and expenditure for the year are shown on page 12. The trustees are pleased with the financial position and performance, given the uncertainty faced as a result of Covid.

Incoming resources amounted to £1,261,366 a gain of £274,741 when compared to the previous year. The costs of managing the charitable company were £1,214,674 for the year as opposed to £935,814 for the previous year.

Reserves Policy

The trustees have established a policy whereby the charitable company aspires to maintain unrestricted funds equivalent to at least three months of average operating costs. The trustees also regularly monitor and review the level of free resources available to the charitable company. The total unrestricted funds at the balance sheet date was £223,528 (2020: £263,240). The restricted funds held at the balance sheet date totalled £1,706,258 (2020: £1,619,854).

Investment Policy

The trustees have considered the most appropriate policy for investing funds and this will be in bank deposit accounts which will ensure the funds are readily available at all times.

Risk Review

The trustees have conducted their own review of the major risks to which the charitable company is exposed and systems have been established to mitigate those risks. The trustees have not identified any major risk with regards to future income streams. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality for all operational aspects of the charitable company. These procedures will be periodically reviewed to ensure that they still meet the requirements of the charitable company. The charitable company's policies proved robust in the face of the challenges raised by Covid.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for the future

Terapia Training Branch:

- To prepare and successfully pass the United Kingdom Council for Psychotherapy Quinquennial Review in September 2022 and secure accreditation for the next five years
- To recruit new core staff for the training (clinical and observation supervisors)
- To re-design the program and recruit new tutors
- To advertise and increase the numbers for Senior Mental Health Leads

Terapia Clinical Services:

- To strengthen the current infrastructure of the service by reviewing existing policies
- To further develop group therapy service to young boys in accordance to Terapia's bespoke group programme
- To establish further the Counselling Service in Barnet schools and beyond
- To develop contact within the field of Systemic Family Therapy in order to provide a more comprehensive service for parents and families using the Centre

Terapia Centre

- To ensure the Sensory Room is utilised, by promoting it via advertising and marketing
- To increase the number of clients at the Bothy

Structure, governance and management

Terapia is a charitable company limited by guarantee without share capital.

The charitable company was incorporated on 1 August 2005 and is governed by the revised Memorandum and Articles of Association adopted by special resolution and filed with Companies House on 21 September 2011, and the Charities Act 2011. It was registered as a charity with the Charity Commission on 29 September 2011.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

T Tasnim	(Resigned 8 June 2022)
L P Ross	(Resigned 8 September 2022)
K E Malyali	
A Ali	
N J Rolli	
L J Fuller	
B Allahvaisi	(Resigned 8 September 2022)
F J Keeley	(Resigned 8 September 2022)
D Shah	

Recruitment and Appointment of Management Committee

The charitable company's trustees are also directors of the charitable company for the purposes of charity law and under the Company's Articles are known as members of the Management Committee. Under the requirements of the Company's Articles the members of the Management Committee are elected to serve for a period of one year, after which, if still willing to serve, they must be re-elected at the next Annual General Meeting.

All trustee members of the Management Committee give their time voluntarily and receive no benefits from the charitable company, other than as disclosed in Note 8 of the accounts.

Two of the trustees are Terapia trained therapists who ensure the Management Committee remains focused on the practicalities of achieving the charitable company's aims.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2021*

Governance

Corporate governance and decision making

The Board of trustees continually keeps the operation and effectiveness of the governance structure under review. Strategic and operational planning, risk management, and budget planning processes are in place and reviewed annually.

The Chief Executive Officer is responsible for the day to day running of the organisation. Her work is supported by the Director of Training and a PA who also provides administrative support to the teaching staff and the students.

All decision making of the training branch of the organisation takes place within the Training Committee, which consists of the CEO, Director of Training and Training Clinical Lead.

All decision making for the Therapeutic Services takes place within the Services Committee which consists of the CEO, Services Clinical Lead and the Head of School Services and Development. Terapia's organisational activities are supported by the Ethics Committee.

The regular reviews and audits conducted by the United Kingdom Council for Psychotherapy (UKCP) and Middlesex University provide assurance on Terapia's professional activities, with risk management and control systems in operation, as well as providing an input to continuous improvement processes.

Clinical governance

Terapia's Training and Services Clinical Leads and Ethics Committee, in conjunction with internal clinical supervisors, provide a quality of service which meets the changing demands of law, regulation and standards of best practice related to child and adolescent mental health. They implement appropriate evidence based performance standards and have a regular evaluation of the service systems in place.

The Training Committee comprises the core training staff. The Training Committee is a decision-making body and provides quality assurance for all aspects of the course.

Trustee Induction and Training

Trustees are already familiar with the operational work of the charitable company, and have extended their knowledge through reading the charitable company's training and information literature as well as through discussion sessions with staff.

Volunteers

The trustees would like to thank the volunteers who generously give up their time to help out in the charity shop, which helps to generate much needed income that's used for our charitable objectives.

Fundraising

While the charitable company does not engage in formal fundraising activities, the trustees would like to acknowledge the generosity of those who made donations in the year. All money received will be used to further our charitable purposes, subject to restrictions imposed by the donors.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of trustees' responsibilities

The trustees, who are also the directors of Terapia for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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.

Auditor

In accordance with the company's articles, a resolution proposing that Citroen Wells be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Dipen Shah

.....
D Shah

Trustee 23/9/2022

Dated:

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Report from Bozena Merrick, CEO and Founder.

2021 was the second year of the pandemic which brought further challenges for Terapia but also created the opportunity to demonstrate the exceptional resilience and adaptability of our charity. I am proud of all our students, tutors and members of Terapia's operational staff for how we all rose to the challenges the year brought us.

I believe that the organisation, particularly our trainees, will be affected by Covid 19 for a number of years to come. We see changes in accessibility of some placements and some students have fallen behind with not only their course work but also their personal and professional development. However, the pandemic has also resulted in a surge in mental health issues, which are continuing to rise. We are aware that the work we do is important, and it makes a difference to people lives and their futures.

We published a stringent Covid-19 policy for the Bothy and responded to an ever-changing situation and confusing Government's guidelines on returning to work. We mastered the technology of delivery of the course online and faced many challenges related to students', clients' and tutors' anxieties around Covid and adjustments which had to take place to every aspect of the organisation. In the midst of all the challenges the pandemic presented us, Terapia still managed to run the business "as usual". We saw students and tutors adapting well, learning to conduct infant observations and toddlers' observations remotely and working with clients on the phone and via Zoom. As the result the organisation came out of the year financially unscathed.

The students arrived back at the Bothy on 7th June 2021. Their arrival was eagerly anticipated by the operational staff who had been already working in the building since January. We spent time at the beginning of the year spring cleaning the Bothy, planting flowers in the planters and making the Bothy welcoming for students.

Bothy Centre and Terapia Services

The Bothy, our Victorian Grade II Listed Building, in the grounds of Stephens House in Finchley, North London is functioning very well. There are several features we are particularly proud of; training rooms, the play therapy suite, the sensory room, the living walls and the fantastic training facilities it provides to our trainees and tutors. It would not be an exaggeration to say our centre is amazing and adds to both the teaching and therapeutic work we do.

The Bothy is a truly shared community space devoted to education as well as psychotherapeutic and counselling provision for children, young people and families. The Centre cares for children of all ages, races and cultures, special/additional needs, who live in the Barnet area and need specialist psychological help.

The Therapeutic Services at the Bothy initially continued on Zoom. Terapia was exempt from the second and the third lockdowns and therefore some face-to-face therapy resumed at the Bothy in a Covid secure way. Sacha Richardson, our Clinical Lead, was instrumental in ensuring that all play therapy rooms were cleared of therapy objects and that each client received their own individual therapy set.

Although the centre was closed for the considerable amount of time of the year and most of the clients did not return until September, sessions provided remotely on Zoom ensured a steady income for Terapia Services. The furlough scheme and lower running cost were helpful in the overall financial running of the Bothy. This, alongside a high volume of new referrals, also compensated for the loss of income from external hirers in the first part of the year.

Terapia Training

Despite our usual advertising channels not being available for another year we recruited very effectively for all the 2022 cohorts thus ensuring another financially successful year for Terapia.

Terapia School Services

I am particularly proud of Terapia's School Services, led by the Head of School Services, Pamela Butler. This Service continued to be an amazing success and has further grown throughout the pandemic. We increased the number of schools participating, including more secondary schools. The John Lyons Charity-funded Whole School Approach (WSA) programme for improving school community mental health and wellbeing, has also flourished.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Pamela worked with each individual school to make sure that clients maintained contact with their therapists. It required extraordinary patience and ingenuity to work with school staff in such difficult circumstances and to enable them to maintain their focus on mental health needs of children and young people. I am pleased to say that at the end of that process all schools came on board with Pamela's ideas and, once all policies were written and implemented, therapists resumed their work via Zoom, telephone or cards which were sent regularly to individual clients via schools. We kept and later renewed all the contracts we had with our schools before the pandemic.

Terapia also worked in three organisations:

- Onwards and Upwards (Leaving Care children),
- London Fire Brigade supervision for Fire Brigade professionals supporting young people (8-18 years) who are fire setters,
- Barnet Specialist Autism Service – clinical supervision.

Senior Mental Health Lead training programme

We have applied and have been subsequently approved and accredited by the Carnegie School of Education, Leeds Beckett University, to deliver a Senior Mental Health Lead training programme, all thanks to Pamela Butler and Jonathan Block who submitted an excellent application and have been running the course on behalf of Terapia.

The Bothy Charity Shop

The Charity Shop continues to be well established in the local community, helping to promote the Charity, advertise the courses, saving the planet by upcycling and re-using goods, offering employment to three members of staff and bringing unrestricted funds to the organisation. We have extended the lease for the shop.

The cost of living crisis

As the current crisis is escalating, we can identify the following risks to the organisation:

1. Training - Students struggling to finance their course.
2. Increasing cost of utility bills.
3. Pressures on staffing costs.

How we plan to mitigate the risks:

1. Training:

If student numbers drop, the training allows for flexibility to employ less contractors, to offset the decrease in income. We can also look to replace students that could drop out by recruiting further.

2. Increasing cost of utility bills:

The contract for both electricity and gas, (dual fuel) has been renewed with British Gas on 18 June 2022 for 2 years protecting us from any rising prices for the next 2 years.

3. Pressures on staffing costs:

We are closely monitoring the student numbers to help assist with budgeting for staffing costs.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Conclusion

I am proud of Terapia and the way we all pulled together to deal with the national crisis. We kept in the forefront of our minds Terapia's students and the clients we have been working with. I would like to take this opportunity to thank all members of Terapia's admin and teaching staff for their commitment and resilience during these difficult times.

Thank you to our Chairman, Laurence Ross and the Board of Trustees for their ongoing support. I would also like to thank Jonathan Block for generously lending his time and expertise to help us with GDPR/DPO and the new Health & Safety processes and new policies, that needed to be written and implemented alongside such rapidly changing conditions.

Bozena Merrick

Bozena Merrick (Gmerek)
Chief Executive Officer and Clinical Director
Terapia
23/9/2022

TERAPIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TERAPIA

Opinion

We have audited the financial statements of Terapia (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

TERAPIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are those that relate to the reporting framework being the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the charitable company's Memorandum and Articles of Association, the Charities Act 2011, and the safe guarding legislation.
- We understood how the Charity is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including trustee meeting minutes.
- We assessed the susceptibility of the Charities's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the entity. We tested completeness of income through substantive tests performed and cut off tests on the revenue recognised.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of trustee meeting minutes.
- The Charity is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

TERAPIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Citroen Wells

Hannah Sibley FCA (Senior Statutory Auditor)
for and on behalf of Citroen Wells

26/9/2022

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Chartered Accountants
Statutory Auditor

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

TERAPIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	2	26	50	76	460	4,000	4,460
Charitable activities	4	1,052,591	140,000	1,192,591	904,491	-	904,491
Other trading activities	3	56,539	-	56,539	33,172	-	33,172
Other income	5	12,160	-	12,160	44,502	-	44,502
Total income		1,121,316	140,050	1,261,366	982,625	4,000	986,625
<u>Expenditure on:</u>							
Charitable activities	6	1,134,353	80,321	1,214,674	913,097	22,717	935,814
Net (expenditure)/ income before transfers		(13,037)	59,729	46,692	69,528	(18,717)	50,811
Gross transfers between funds		(26,675)	26,675	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(39,712)	86,404	46,692	69,528	(18,717)	50,811
Fund balances at 1 January 2021		263,240	1,619,854	1,883,094	193,712	1,638,571	1,832,283
Fund balances at 31 December 2021		223,528	1,706,258	1,929,786	263,240	1,619,854	1,883,094

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TERAPIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	18		9,435		70,876
Investing activities					
Purchase of property, plant and equipment		(26,675)		(180)	
Net cash used in investing activities			(26,675)		(180)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(17,240)		70,696
Cash and cash equivalents at beginning of year			302,656		231,960
Cash and cash equivalents at end of year			285,416		302,656

TERAPIA**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Property, plant and equipment	11		1,641,662		1,643,562
Current assets					
Trade and other receivables	12	142,058		59,541	
Cash at bank and in hand		285,416		302,656	
		427,474		362,197	
Current liabilities	13	(139,350)		(122,665)	
Net current assets			288,124		239,532
Total assets less current liabilities			1,929,786		1,883,094
Income funds					
Restricted funds	14		1,706,258		1,619,854
Unrestricted funds			223,528		263,240
			1,929,786		1,883,094

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 23/9/2022

Karen Malyali

 K E Malyali
 Trustee

Dipen Shah

 D Shah
 Trustee

Company Registration No. 05523517

TERAPIA

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

1 Accounting policies

Charity information

Terapia is a private company limited by guarantee incorporated in England and Wales. The registered office is at 17a East End Road, London, N3 3QE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, as course enrolments for 2022 and beyond are budgeted to continue to cover the charitable company's stable cost base. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Restricted funds

Restricted funds are to be used for the specific purpose as laid down by the donor. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs, where applicable.

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated from the objects of the charity without further specified purpose and are available as general funds.

1.4 Income

Incoming resources from training, delivery of services and related activities is included on the Statement of Financial Activities when receivable.

Voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.

Goods donated to the charity shop are recognised at their fair value when material, however where it is not possible to assess the value of goods donated, as they are low value items which cannot be reliably measured, no income is recognised until the goods are sold.

Charitable grants, including any grants for the purchase of fixed assets, are recognised in the statement of Financial Activities in the year in which they are receivable. For grants or donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the grant or donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

Outgoing resources are recognised in the period in which they are incurred. Resources expended include any attributable VAT which cannot be recovered. Support costs are allocated between charitable activities based on the percentage of total costs.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

The Bothy	Over the 75 year period of the lease
Fixtures, fittings & equipment	20% per annum on a reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government Grants

Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme (CJRS) results in cash payments from the Government to compensate employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on temporary leave of absence from working for the employer).

The CJRS grant is recognised under the performance method, and is recognised as income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. As such the income from the grant is recognised on a straight line basis over the furlough period for each relevant employee.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	26	50	76	460	4,000	4,460

3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Shop income	56,539	33,172

4 Charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £
Delivery of services	-	7,000	7,000	-
Course fees	1,052,591	-	1,052,591	904,491
Grant income	-	133,000	133,000	-
	1,052,591	140,000	1,192,591	904,491
Analysis by fund				
Unrestricted funds	1,052,591	-	1,052,591	904,491
Restricted funds	-	140,000	140,000	-
	1,052,591	140,000	1,192,591	904,491

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

5 Other income

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Government grants	12,160	44,502

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities	Direct Fundraising costs		The Bothy Renovation work		Whole School Approach		Total 2021		Direct Training costs		Fundraising costs		The Bothy Renovation work		Total 2020	
	2021	£	2021	£	2021	£	£	£	2020	£	2020	£	2020	£	2020	£
Staff costs	104,389		27,062		-		177,005		84,691		25,858		-		110,549	
Direct expenditure	484,669		39,160		23,030		558,596		372,110		40,973		22,717		435,800	
	589,058		66,222		23,030		735,601		456,801		66,831		22,717		546,349	
Support and governance costs (see note 7)	430,658		48,415		-		479,073		339,758		49,707		-		389,465	
	1,019,716		114,637		23,030		1,214,674		796,559		116,538		22,717		935,814	
Analysis by fund																
Unrestricted funds	1,019,716		114,637		-		1,134,353		796,559		116,538		-		913,097	
Restricted funds	-		-		23,030		80,321		-		-		22,717		22,717	
	1,019,716		114,637		23,030		1,214,674		796,559		116,538		22,717		935,814	

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support and governance costs

	Support costs	Governance costs	2021 Support costs	Governance costs	2020
	£	£	£	£	£
Staff wages and salaries	148,004	-	148,004	100,590	100,590
Director's remuneration	91,910	-	91,910	93,175	93,175
Social security	37,910	-	37,910	26,417	26,417
Pensions	6,693	-	6,693	4,976	4,976
Rent	17,385	-	17,385	540	540
Insurance	4,800	-	4,800	3,808	3,808
Repairs and maintenance	4,362	-	4,362	3,080	3,080
Advertising and marketing	22,967	-	22,967	24,032	24,032
Recruitment costs	8,562	-	8,562	3,800	3,800
Computer costs	12,581	-	12,581	17,934	17,934
Provision for doubtful debts	6,391	-	6,391	8,320	8,320
Postage and stationery	7,095	-	7,095	9,461	9,461
Telephone and fax	442	-	442	593	593
Motor expenses	1,698	-	1,698	620	620
Travelling expenses	178	-	178	384	384
Legal and professional fees	8,558	-	8,558	12,266	12,266
Auditor's remuneration	-	15,600	15,600	-	8,400
Accountancy	32,386	-	32,386	31,693	31,693
Sundry expenses	15,134	-	15,134	4,181	4,181
Subscriptions	3,793	-	3,793	2,914	2,914
Bank charges	4,049	-	4,049	2,660	2,660
Depreciation	28,575	-	28,575	29,621	29,621
	<u>463,473</u>	<u>15,600</u>	<u>479,073</u>	<u>381,065</u>	<u>389,465</u>

8 Trustees

During this year and the previous year, no amounts were re-imbursed to trustees.

None of the current trustees are remunerated by the charity.

9 Employees

The average monthly number of employees, excluding the trustees, during the year was:

	2021 Number	2020 Number
Employees	<u>13</u>	<u>10</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Employees (Continued)

Employment costs	2021 £	2020 £
Wages and salaries	416,919	304,314
Social security costs	37,910	26,417
Other pension costs	6,693	4,976
	<u>461,522</u>	<u>335,707</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£90,000 - £100,000	<u>1</u>	<u>1</u>

10 Taxation

No liability arises as the charitable company is a registered charity and is therefore exempt from taxation on the income arising from its normal activities.

11 Property, plant and equipment

	The Bothy £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2021	1,703,772	85,552	1,789,324
Additions	<u>26,675</u>	<u>-</u>	<u>26,675</u>
At 31 December 2021	<u>1,730,447</u>	<u>85,552</u>	<u>1,815,999</u>
Depreciation and impairment			
At 1 January 2021	87,918	57,844	145,762
Depreciation charged in the year	<u>23,030</u>	<u>5,545</u>	<u>28,575</u>
At 31 December 2021	<u>110,948</u>	<u>63,389</u>	<u>174,337</u>
Carrying amount			
At 31 December 2021	<u>1,619,499</u>	<u>22,163</u>	<u>1,641,662</u>
At 31 December 2020	<u>1,615,854</u>	<u>27,708</u>	<u>1,643,562</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Trade and other receivables

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	39,170	38,632
Prepayments and accrued income	62,888	20,909
	<u>102,058</u>	<u>59,541</u>
Amounts falling due after more than one year:		
Prepayments and accrued income	40,000	-
	<u>40,000</u>	<u>-</u>
Total debtors	<u>142,058</u>	<u>59,541</u>

13 Current liabilities

	2021 £	2020 £
Other taxation and social security	12,403	10,871
Trade payables	9,159	12,906
Other payables	1,606	931
Accruals and deferred income	116,182	97,957
	<u>139,350</u>	<u>122,665</u>

Included in creditors is deferred income of £89,947 (2020: £68,682) which relates to 2022 and 2023 course fees received in advance.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020	Movement in funds		Balance at 1 January 2021	Movement in funds		Balance at 31 December 2021
		Incoming Resources	Resources Expended		Incoming Resources	Resources Fund transfers Expended	
	£	£	£	£	£	£	£
The Bothy renovation work	1,638,571	-	(22,717)	1,615,854	-	(23,030)	1,619,499
The Underprivileged Children's fund	-	4,000	-	4,000	-	-	4,000
Whole School Approach	-	-	-	-	140,050	(57,291)	82,759
	1,638,571	4,000	(22,717)	1,619,854	140,050	(80,321)	1,706,258

The Bothy restricted fund relates to specific donations received for the purpose of renovating a property which has been leased to the Charity on a long-term basis to be used in connection with the charity's purpose of providing a therapeutic centre for children, young adults and their families.

The Underprivileged Children's fund is used to enable young people and their families who could not otherwise afford it to access therapeutic services.

The Whole School Approach fund is used to provide holistic therapeutic services to entire school communities. This has been primarily funded by a grant from John Lyon's Charity which has pledged to contribute £133,000 over three years.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:						
Property, plant and equipment	22,163	1,619,499	1,641,662	27,708	1,615,854	1,643,562
Net current assets	201,365	86,759	288,124	239,532	-	239,532
	<u>223,528</u>	<u>1,706,258</u>	<u>1,929,786</u>	<u>267,240</u>	<u>1,615,854</u>	<u>1,883,094</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	31,706	31,424
Between two and five years	10,688	42,394
	<u>42,394</u>	<u>73,818</u>

17 Related party transactions

J Block, a trustee of Terapia during the prior year and spouse of a member of key management, is also a director and shareholder of Head Teacher Research Limited. During the year ended 31 December 2021 the charitable company paid £6,836 (2020: £1,388) for supplies and services to Head Teacher Research Limited.

L Fuller, a trustee of Terapia provided clinical supervision to two groups of students. During the year she received £8,500 (2020: £nil) for services rendered.

J Prevezer, who resigned as a Trustee on 7 July 2020, is a consultant of the charitable company's auditors, Citroen Wells ('CW'), who were appointed as auditors to the charitable company on 21 June 2021. During the year, CW charged the charitable company £11,400 (2020: £7,500) for services rendered. At the year end, £11,400 (2020: £7,500) was payable to CW.

18 Cash generated from operations	2021 £	2020 £
Surplus for the year	46,692	50,811
Adjustments for:		
Depreciation of property, plant and equipment	28,575	29,621
Movements in working capital:		
(Increase) in trade and other receivables	(82,517)	(5,433)
Increase/(decrease) in trade and other payables	16,685	(4,123)
Cash generated from operations	<u>9,435</u>	<u>70,876</u>

TERAPIA

England & Wales - Charity number 1144041

Accounts

Charity Registration No. 1144041

Company Registration No. 05523517 (England and Wales)

TERAPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

TERAPIA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	T Tasnim	
	L P Ross	(Appointed 21 July 2020)
	K E Malyali	(Appointed 7 July 2020)
	A Ali	(Appointed 7 July 2020)
	N J Rolli	(Appointed 7 July 2020)
	L J Fuller	(Appointed 7 July 2020)
	B Allahvaisi	(Appointed 27 October 2020)
	F J Keeley	(Appointed 27 October 2020)
	D Shah	(Appointed 27 October 2020)
Secretary	J Block	
Charity number	1144041	
Company number	05523517	
Principal address	Terapia Centre 17a East End Road Finchley London N3 3QE	
Registered office	17a East End Road London N3 3QE	
Auditor	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR	
Bankers	Santander UK Plc Customer Service Centre Bootle Merseyside L30 4GB	

TERAPIA

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TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also directors of the charitable company for the purpose of the Companies Act 2006, present their report and accounts for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in Note 1, the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charitable company is a registered charity which exists to provide relief of the mental and emotional distress of children, adolescents, adults, carers and families in need of professional help, through counselling, psychotherapy, training, advice and support and to advance the education of the general public in all areas relating to child, adolescent and adult counselling and psychotherapy.

Public Benefit Statement

The trustees confirm that they have complied with their duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

How Terapia's Activities Deliver Public Benefit

Terapia's activities are geared to deliver public benefit in the following ways:

- by providing training for counsellors and psychotherapists, who then utilise their acquired knowledge and skills by providing a counselling and psychotherapy service for clients of differing ages and developmental backgrounds and from diverse social and cultural backgrounds who may present a wide range of emotional, developmental, social and behavioural issues;
- by offering low cost and free of charge counselling and psychotherapy to children, young people, parents and families. This comprehensive and wide-ranging service is provided pro bono by Terapia's trainees. The students' clinical work is supported by Terapia's tutors and clinical supervisors who are qualified Child and Adolescent Counsellors and Psychotherapists.

Terapia is a uniquely integrative school which, unlike most other existing training providers, explores all the leading approaches to Child Psychotherapy. The school is one of the first in the UK to offer training from this perspective. Most of the training takes place through weekly seminars, weekend lectures and tutorials. A balance of theoretical and experiential learning is offered at Terapia.

Terapia's training function has been in operation for seventeen years. The rapid growth of the organisation provides reassurance that Terapia is filling a need for such training and services in the country.

Terapia is an organisational member of the British Association for Counselling and Psychotherapy (BACP) and an accredited member of United Kingdom Council for Psychotherapy (UKCP). The courses are also validated by the Middlesex University.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

Reports of Officers and Committees 1 January 2020 to 31 December 2020

Terapia Centre/Bothy's Development

The Bothy, our Victorian Grade II Listed Building, in the grounds of Avenue House in Finchley, North London is functioning very well. All minor defects/snags have been addressed by our contractors. Staff and teachers are learning the ICT systems and the ways of our building – systems and protocols.

It would not be an exaggeration to say everyone says our centre is amazing and adds to both the teaching and therapeutic work we do.

We have embedded our Centre of Excellence for Psychotherapeutic Services for Young People, Children and Families.

There are several features we are particularly proud of; training rooms, the play therapy suite, the sensory room, the living walls – in fact all our wonderful Bothy.

Some further developments have been done to the observation suite. A feedback and recording system have been installed. This is a high spec facility to hire to qualified therapists and as part of our training work.

The Bothy is a truly shared community space devoted to education as well as psychotherapeutic and counselling provision for children, young people and families. The Centre cares for children of all ages, races and cultures, special/additional needs, who live in the Barnet area and need specialist psychological help.

Jonathan Block

Clerk to the Board of Trustees

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Ethics Committee Report

Membership:

Irene Tagg
Cynthia Masters-Waage
Rachel Evans

I was Chair of Terapia's Ethics and Complaints Committee from 27th November 2019 to 26th January 2021.

Terapia's Ethics and Complaints Committee is responsible for assuring the ethical conduct and principles of Terapia's students, supervisors, tutors and graduates. Our aim is to ensure that Terapia's policies and procedures are up-to-date, maintain good standards of practice in accordance with government policy and legislation as it relates to children and young persons and UKCP guidelines, and meets the needs and circumstances specific to psychotherapeutic work with children. Our main function is to assist Terapia and to resolve complicated ethical matters in a timely and respectful manner.

The Committee consisted of three members, two of which were child psychotherapy practitioners and the third person was an administrator employed by Terapia. We met and held discussions on a termly basis, or more frequently, if required.

The Complaints Procedure had never been tested. In the course of the year we had two complaints, the first of which the complainant decided not to pursue, and the second of which tested all four stages of our complaints process. This led to valuable lessons being learned, and consequently Our Ethical Guidance for working with Children and Terapia's Complaints Policy was updated.

Irene R Tagg

Chair of Terapia Ethics Committee

Financial review

Details of income and expenditure for the year are shown on page 12. The trustees are pleased with the financial position and performance, given the uncertainty faced as a result of Covid.

Incoming resources amounted to £986,625 a reduction of £39,023 when compared to the previous year. The costs of managing the charitable company were £935,814 for the year as opposed to £957,614 for the previous year.

Reserves Policy

The trustees have established a policy whereby the charitable company aspires to maintain unrestricted funds equivalent to at least three months of average operating costs. The trustees also regularly monitor and review the level of free resources available to the charitable company. The total unrestricted funds at the balance sheet date was £263,240 (2019: £193,712). The restricted funds held at the balance sheet date totalled £1,619,854 (2019: £1,638,571).

Investment Policy

The trustees have considered the most appropriate policy for investing funds and this will be in bank deposit accounts which will ensure the funds are readily available at all times.

Risk Review

The trustees have conducted their own review of the major risks to which the charitable company is exposed and systems have been established to mitigate those risks. The trustees have not identified any major risk with regards to future income streams. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality for all operational aspects of the charitable company. These procedures will be periodically reviewed to ensure that they still meet the requirements of the charitable company. The charitable company's policies proved robust in the face of the challenges raised by Covid.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for the future

Terapia Training Branch:

- To redesign and recruit students for the MA in Forensic Practice with Children and Adolescent Course
- To prepare for the United Kingdom Council for Psychotherapy Quinquennial Review in Autumn 2022 to secure accreditation for the next five years
- To recruit new core staff for the training (clinical and observation supervisors)
- To appoint a Training Director and Training Clinical Lead
- To recruit a new Academic Coordinator
- To re-design the programme and recruit tutors and candidates for the new Summer School

Terapia Clinical Services:

- To strengthen the current infrastructure of the service by reviewing existing policies
- To further develop group therapy service to young boys in accordance to Terapia's bespoke group programme
- To establish further the Counselling Service in Barnet schools and beyond
- To develop contact within the field of Systemic Family Therapy in order to provide a more comprehensive service for parents and families using the Centre

Terapia Centre

- To change the design of the current publicity for the centre and improve our advertising streams
- To ensure the Sensory Room is utilised, by promoting it via advertising and marketing
- To increase the number of clients at the Bothy

Structure, governance and management

Terapia is a charitable company limited by guarantee without share capital.

The charitable company was incorporated on 1 August 2005 and is governed by the revised Memorandum and Articles of Association adopted by special resolution and filed with Companies House on 21 September 2011, and the Charities Act 2011. It was registered as a charity with the Charity Commission on 29 September 2011.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

T Tasnim	
L P Ross	(Appointed 21 July 2020)
K E Malyali	(Appointed 7 July 2020)
A Ali	(Appointed 7 July 2020)
N J Rolli	(Appointed 7 July 2020)
L J Fuller	(Appointed 7 July 2020)
B Allahvaisi	(Appointed 27 October 2020)
F J Keeley	(Appointed 27 October 2020)
D Shah	(Appointed 27 October 2020)
J Prevezer	(Resigned 7 July 2020)
J Block	(Resigned 21 July 2020)
G Dedaj-Salad	(Resigned 21 July 2020)

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2020**

Recruitment and Appointment of Management Committee

The charitable company's trustees are also directors of the charitable company for the purposes of charity law and under the Company's Articles are known as members of the Management Committee. Under the requirements of the Company's Articles the members of the Management Committee are elected to serve for a period of one year, after which, if still willing to serve, they must be re-elected at the next Annual General Meeting.

All trustee members of the Management Committee give their time voluntarily and receive no benefits from the charitable company, other than as disclosed in Note 8 of the accounts.

One of the trustees is a Terapia trained therapist who ensures the Management Committee remains focused on the practicalities of achieving the charitable company's aims.

Governance

Corporate governance and decision making

Terapia's organisational activities are supported by a structured set of specialist sub-committees i.e. the Ethical Committee, Training Committee, Project Management Team and Fundraising Committee.

The Board of trustees continually keeps the operation and effectiveness of the governance structure under review. Strategic and operational planning, risk management, and budget planning processes are in place and reviewed annually.

The Clinical Director/Chief Executive Officer is responsible for the day to day running of the organisation. Her work is supported by the Assistant to the Director and a PA who also provides administrative support to the teaching staff and the students.

The regular reviews and audits conducted by the United Kingdom Council for Psychotherapy (UKCP) and Middlesex University provide assurance on Terapia's professional activities, with risk management and control systems in operation, as well as providing an input to continuous improvement processes.

Clinical governance

Terapia's Clinical Committee and Ethics Committee, in conjunction with internal clinical supervisors, provide a quality of service which meets the changing demands of law, regulation and standards of best practice related to child and adolescent mental health. They implement appropriate evidence based performance standards and have a regular evaluation of the service systems in place.

The Training Committee comprises the core training staff. The Training Committee is a decision-making body and provides quality assurance for all aspects of the course.

Trustee Induction and Training

Trustees are already familiar with the operational work of the charitable company, and have extended their knowledge through reading the charitable company's training and information literature as well as through discussion sessions with staff.

Volunteers

The trustees would like to thank the volunteers who generously give up their time to help out in the charity shop, which helps to generate much needed income that's used for our charitable objectives.

Fund raising

While the charitable company does not engage in formal fund raising activities, the trustees would like to acknowledge the generosity of those who made donations in the year. All money received will be used to further the our charitable purposes, subject to restrictions imposed by the donors.

TERAPIA

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)(CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of trustees' responsibilities

The trustees, who are also the directors of Terapia for the purpose 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 which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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.

Auditor

Citroen Wells, Statutory Auditors were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

L P Ross

Trustee

Dated: 29 September 2021

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Report from Bozena Merrick, CEO and Founder.

2020 demanded all of us at Terapia to stand up to the challenges of Covid-19. We needed to reconsider entirely our modes of training delivery, the provision of therapeutic services to our clients and implement new policies and processes to support our activities.

All our courses were delivered on Zoom without significant interruption. The teaching staff were trained in using this platform to provide learning in creative and interactive ways to maintain, as much as possible, the relational style of our course delivery. We returned to the building in the Autumn and for that term we offered a blended approach to running the courses. By the end of the term, the UK was entering another wave of infections, resulting in another lockdown. We were creative in organising a graduation event for the students who were finishing their course after five long years with us. We used the Bothy Gardens to create a special and very moving celebration in a Covid secure way. There were individual bottles of celebratory drink and food, we managed to cater to all needs, vegan and kosher included. We thank our reception staff, Fleur Rogers and Pavlos Bakoulas, who were key to this project's success.

I am particularly proud of Terapia's School Services, led by Pamela Butler. She worked with each individual school to make sure that clients maintained contact with their therapists. It required extraordinary patience and ingenuity to work with school staff in such difficult circumstances and to enable them to maintain their focus on mental health needs of children and young people. I am pleased to say that at the end of that process all schools came on board with Pamela's ideas and, once all policies were written and implemented, therapists resumed their work via Zoom, telephone or cards which were sent regularly to individual clients via schools. We kept and later renewed all the contracts we had with our schools before the pandemic.

The therapeutic Services at the Bothy continued on Zoom. We also had a high volume of new referrals. Terapia was exempt from the second and the third lockdowns and therefore some face-to-face therapy resumed at the Bothy in a Covid secure way. Sacha Richardson was instrumental in ensuring that all play therapy rooms were cleared of therapy objects and that each client received their own individual therapy set. Thus, the training and therapy provision continued thanks to a huge effort from all our staff. As the result, and with some help of the Government's furlough scheme and grants, Terapia ended the year financially unscathed.

Terapia Schools Services worked with:

- **11 schools**
 - 10 existing schools (8 Primary Schools and 2 Secondary) – (throughout Dec 2019 – Dec 2020 with approx. 24 Terapia's Therapists x working with 3 clients each= 72 clients at any given time)
 - 1 new school (Secondary) - Space2Grow groupwork (started in Dec 2019 – ended July 2020) 2 Terapia Therapists working with 8 young people
- **3 organisations**
 - Barnet Care Leavers Service - sessions and supervision (4 Terapia's Therapists working with 3 clients each = 12 clients at any given time)
 - Oxfordshire Counselling Service: 1 Terapia Therapist working with 3 clients
 - Kent and London Fire Brigade Services – supervision (48 clinical supervision sessions were provided for 8 Fire Brigade professionals supporting approx. 240 Young People (8-18 years) who are fire setters.

Terapia Bothy Services worked with

68 clients (children and families, each family counted as a single client). Terapia's therapists provided 559 sessions that year.

Thus, the training and therapy provision continued thanks to a huge effort from all our staff. As the result, and with some advantages of the Government's furlough scheme and grants, Terapia ended the year financially unscathed.

In the midst of all the challenges the pandemic presented us, including the need to attend to an unusual volume of inquiries resulting from students' and tutors' anxieties about new processes and procedures, Terapia still managed to run other business "as usual".

We laid a new roof on the part of the building which has not been under the restoration project and the Heritage Lottery Fund.

TERAPIA

CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

In July 2020 our Chair of the Board, Jonathan Prevezer, stepped down and the Board appointed a new Chair, Laurence Ross, as well as recruiting new trustees. Jonathan Block stepped down as a Founding Trustee and is currently acting as a clerk to the board. We also appointed a new External Moderator, prof. John Nuttall. Sacha Richardson joined Terapia for the role of Clinical Lead for Therapeutic Services and Liz Cabey as my new PA.

To our surprise, despite the fact that our usual ways of advertising the courses were not available to us, we have successfully recruited new students for the new academic year. During the lockdown we also completed the work on our new branding, we produced a new training brochure and launched a new website.

I am proud of Terapia and the way we all pulled together to deal with the national crisis. We kept in the forefront of our minds Terapia's students and the clients we have been working with. I would like to take this opportunity to thank all members of Terapia's admin and teaching staff for their commitment and resilience during these difficult times.

Thank you to our new Chairman, Laurence Ross and the Board of Trustees for their ongoing support. I would also like to thank Jonathan Block for generously lending his time and expertise to help us with new H&S processes and new policies, that needed to be written and implemented alongside such rapidly changing conditions.

Bozena Merrick (Gmerek)
Chief Executive Officer and Clinical Director
Terapia

TERAPIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TERAPIA

Opinion

We have audited the financial statements of Terapia (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 charity'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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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 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.

TERAPIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF TERAPIA

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Charity and determined that the most significant are those that relate to the reporting framework being the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the charitable company's Memorandum and Articles of Association, the Charities Act 2011, and the safe guarding legislation.
- We understood how the Charity is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance. We corroborated our understanding by reviewing supporting documentation including trustee meeting minutes.

THERAPIA

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THERAPIA

- We assessed the susceptibility of the Charities's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the entity. We tested completeness of income through substantive tests performed and cut off tests on the revenue recognised.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses and review of trustee meeting minutes.
- The Charity is a regulated entity under the supervision of the Charities Commission. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Citroen Wells

30 September 2021

**Chartered Accountants
Statutory Auditor**

Devonshire House
1 Devonshire Street
London
W1W 5DR

Citroen Wells is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

TERAPIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	2	460	4,000	4,460	1,318	-	1,318
Charitable activities	3	904,491	-	904,491	954,067	-	954,067
Other trading activities	4	33,172	-	33,172	70,263	-	70,263
Other income	5	44,502	-	44,502	-	-	-
Total income		982,625	4,000	986,625	1,025,648	-	1,025,648
<u>Expenditure on:</u>							
Charitable activities	6	913,097	22,717	935,814	934,897	22,717	957,614
Net income/(expenditure) for the year/ Net movement in funds		69,528	(18,717)	50,811	90,751	(22,717)	68,034
Fund balances at 1 January 2020		193,712	1,638,571	1,832,283	102,961	1,661,288	1,764,249
Fund balances at 31 December 2020		263,240	1,619,854	1,883,094	193,712	1,638,571	1,832,283

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TERAPIA

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Property, plant and equipment	11	1,643,562		1,673,003	
Current assets					
Trade and other receivables	12	59,541		54,108	
Cash at bank and in hand		302,656		231,960	
		<u>362,197</u>		<u>286,068</u>	
Current liabilities	13	(122,665)		(126,788)	
Net current assets			239,532		159,280
Total assets less current liabilities			<u>1,883,094</u>		<u>1,832,283</u>
Income funds					
Restricted funds	14	1,619,854		1,638,571	
Unrestricted funds		263,240		193,712	
		<u>1,883,094</u>		<u>1,832,283</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 29 September 2021

L P Ross
Trustee

K E Malyali
Trustee

Company Registration No. 05523517

TERAPIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	18		70,876		123,381
Investing activities					
Purchase of property, plant and equipment		(180)		(3,641)	
Net cash used in investing activities			(180)		(3,641)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			70,696		119,740
Cash and cash equivalents at beginning of year			231,960		112,220
Cash and cash equivalents at end of year			302,656		231,960

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Terapia is a private company limited by guarantee incorporated in England and Wales. The registered office is at 17a East End Road, London, N3 3QE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, as course enrolments for 2021 and beyond are budgeted to continue to cover the charitable company's stable cost base. In addition, the charitable company adapted to Covid and remote teaching and is well positioned to do this again if there is a return to a lockdown environment. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Restricted funds

Restricted funds are to be used for the specific purpose as laid down by the donor. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs, where applicable.

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated from the objects of the charity without further specified purpose and are available as general funds.

1.4 Income

Incoming resources from training and related activities is included on the Statement of Financial Activities when receivable.

Voluntary income received by way of donations and gifts is included in full in the Statement of Financial Activities when receivable. The value of services provided by volunteers has not been included.

Goods donated to the charity shop are recognised at their fair value when material, however where it is not possible to assess the value of goods donated, as they are low value items which cannot be reliably measured, no income is recognised until the goods are sold.

Charitable grants, including any grants for the purchase of fixed assets, are recognised in the statement of Financial Activities in the year in which they are receivable.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Outgoing resources are recognised in the period in which they are incurred. Resources expended include any attributable VAT which cannot be recovered. Support costs are allocated between charitable activities based on the percentage of total costs.

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

The Bothy	Over the 75 year period of the lease
Fixtures, fittings & equipment	20% per annum on a reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of non-current assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government Grants

Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme (CJRS) results in cash payments from the Government to compensate employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on temporary leave of absence from working for the employer).

The CJRS grant is recognised under the performance method, and is recognised as income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. As such the income from the grant is recognised on a straight line basis over the furlough period for each relevant employee.

Local Authority Grant Fund

The Retail, Hospitality and Leisure Grant Fund represents cash payments from local authorities to eligible entities. These are government grants for which there are no future performance-related conditions. The grant is recognised under the accrual model and is recognised as other income in the period in which it becomes receivable. This is when the scheme eligibility criteria were first published, or if there was uncertainty around eligibility, when confirmation of entitlement was received from the local authority.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	460	4,000	4,460	1,318

3 Charitable activities

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Course fees	904,491	954,067

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Shop income	33,172	70,263

5 Other income

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Government grants	44,502	-

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Direct Fundraising Training costs 2020 £	The Bothy costs 2020 £	Renovation work 2020 £	Total 2020 £	Direct Training costs 2019 £	Fundraising costs 2019 £	The Bothy Renovation work 2019 £	Total 2019 £
Direct expenditure	456,801	66,831	22,717	546,349	506,273	69,972	22,717	598,962
Support and governance costs (see note 7)	339,758	49,707	-	389,465	315,102	43,550	-	358,652
	796,559	116,538	22,717	935,814	821,375	113,522	22,717	957,614
Analysis by fund								
Unrestricted funds	796,559	116,538	-	913,097	821,375	113,522	-	934,897
Restricted funds	-	-	22,717	22,717	-	-	22,717	22,717
	796,559	116,538	22,717	935,814	821,375	113,522	22,717	957,614

The analysis of the direct costs and associated share of support costs for 2019 has been updated to more accurately reflect the activities that occurred during that year.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Support and governance costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff wages and salaries	100,590	-	100,590	96,021	-	96,021
Director's remuneration	93,175	-	93,175	84,550	-	84,550
Social security	26,417	-	26,417	25,850	-	25,850
Pensions	4,976	-	4,976	4,991	-	4,991
Rent	540	-	540	9,680	-	9,680
Insurance	3,808	-	3,808	3,630	-	3,630
Repairs and maintenance	3,080	-	3,080	10,341	-	10,341
Advertising and marketing	24,032	-	24,032	23,046	-	23,046
Recruitment costs	3,800	-	3,800	-	-	-
Computer costs	17,934	-	17,934	9,691	-	9,691
Provision for doubtful debts	8,320	-	8,320	(13,337)	-	(13,337)
Postage and stationery	9,461	-	9,461	10,097	-	10,097
Telephone and fax	593	-	593	705	-	705
Motor expenses	620	-	620	145	-	145
Travelling expenses	384	-	384	1,344	-	1,344
Legal and professional fees	12,266	-	12,266	6,148	-	6,148
Auditor's remuneration	-	8,400	8,400	-	7,200	7,200
Accountancy	31,693	-	31,693	29,784	-	29,784
Sundry expenses	4,181	-	4,181	9,704	-	9,704
Subscriptions	2,914	-	2,914	4,050	-	4,050
Bank charges	2,660	-	2,660	4,176	-	4,176
Depreciation	29,621	-	29,621	30,836	-	30,836
	<u>381,065</u>	<u>8,400</u>	<u>389,465</u>	<u>351,452</u>	<u>7,200</u>	<u>358,652</u>

8 Trustees

During this year and the previous year, no amounts were re-imbursed to trustees.

None of the current trustees are remunerated by the charity.

9 Employees

The average monthly number of employees, excluding the trustees, during the year was:

	2020 Number	2019 Number
Employees	<u>10</u>	<u>9</u>

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Employees

(Continued)

Employment costs	2020 £	2019 £
Wages and salaries	193,765	180,571
Social security costs	26,417	25,850
Other pension costs	4,976	4,991
	<u>225,158</u>	<u>211,412</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	<u>1</u>	<u>-</u>

10 Taxation

No liability arises as the charitable company is a registered charity and is therefore exempt from taxation on the income arising from its normal activities.

11 Property, plant and equipment

	The Bothy £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2020	1,703,772	85,372	1,789,144
Additions	-	180	180
	<u>1,703,772</u>	<u>85,552</u>	<u>1,789,324</u>
At 31 December 2020	1,703,772	85,552	1,789,324
Depreciation and impairment			
At 1 January 2020	65,201	50,940	116,141
Depreciation charged in the year	22,717	6,904	29,621
	<u>87,918</u>	<u>57,844</u>	<u>145,762</u>
At 31 December 2020	87,918	57,844	145,762
Carrying amount			
At 31 December 2020	1,615,854	27,708	1,643,562
At 31 December 2019	1,638,571	34,432	1,673,003

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Trade receivables	38,632	36,699
Prepayments and accrued income	20,909	17,409
	<u>59,541</u>	<u>54,108</u>

13 Current liabilities

	2020 £	2019 £
Other taxation and social security	10,871	9,613
Trade payables	12,906	17,662
Other payables	931	1,036
Accruals and deferred income	97,957	98,477
	<u>122,665</u>	<u>126,788</u>

Included in creditors is deferred income of £64,832 (2019: £68,275) which relates to 2021 course fees received in advance.

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019 £	Resources Expended £	Balance at 1 January 2020 £	Movement in funds		
				Incoming Resources £	Resources Expended £	Balance at 31 December 2020 £
The Bothy renovation work	1,661,288	(22,717)	1,638,571	-	(22,717)	1,615,854
The underprivileged childrens fund	-	-	-	4,000	-	4,000
	<u>1,661,288</u>	<u>(22,717)</u>	<u>1,638,571</u>	<u>4,000</u>	<u>(22,717)</u>	<u>1,619,854</u>

The Bothy restricted fund relates to specific donations received for the purpose of renovating a property which has been leased to the Charity on a long-term basis to be used in connection with the charity's purpose of providing a therapeutic centre for children, young adults and their families.

The underprivileged childrens fund is used to enable young people and their families who could not otherwise afford it to access therapeutic services

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Property, plant and equipment	27,708	1,615,854	1,643,562	34,432	1,638,571	1,673,003
Net current assets	239,532	-	239,532	159,280	-	159,280
	<u>267,240</u>	<u>1,615,854</u>	<u>1,883,094</u>	<u>193,712</u>	<u>1,638,571</u>	<u>1,832,283</u>

16 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	31,424	30,000
Between two and five years	42,394	8,750
	<u>73,818</u>	<u>38,750</u>

The amounts above include a new lease for the charity shop which was not signed until 2021.

17 Related party transactions

J Block, a trustee of Terapia during the year, is also a director and shareholder of Head Teacher Research Limited. During the year ended 31 December 2020 the company paid £1,388 (2019: £700) for supplies and services to Head Teacher Research Limited.

J Prevezer, who resigned as a Trustee on 7 July 2020, is a consultant of the charitable company's auditors, Citroen Wells ('CW'), who were appointed as auditors to the charitable company on 21 June 2021. During the year, CW charged the charitable company £7,500 (2019: £Nil) for services rendered. At the year end, £7,500 (2019: £Nil) was payable to CW.

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

18	Cash generated from operations	2020 £	2019 £
	Surplus for the year	50,811	68,034
	Adjustments for:		
	Depreciation of property, plant and equipment	29,621	30,836
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	(5,433)	43,286
	(Decrease) in trade and other payables	(4,123)	(18,775)
	Cash generated from operations	<u>70,876</u>	<u>123,381</u>