

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.

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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.

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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)

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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

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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.

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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

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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.

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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.

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

- 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.

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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

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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.

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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.

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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.

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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	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Direct Training costs 2020 £	Fundraising costs 2020 £	The Bothy 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.

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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>

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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>