

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.

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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.

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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.

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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

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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's 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.

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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 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.

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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
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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>