

Charity registration number 1144041

Company registration number 05523517 (England and Wales)

TERAPIA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

TERAPIA

LEGAL AND ADMINISTRATIVE INFORMATION

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

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

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

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

Objectives and activities

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

Public Benefit Statement

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

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

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

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

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

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

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

Achievements and performance

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

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

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

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

Ethics Committee Report

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

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

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

There were no complaints against Terapia in 2022.

Financial review

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

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

Reserves Policy

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

Investment Policy

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

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

Risk Review

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

Plans for the future

Terapia Training Branch:

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

Terapia Clinical Services:

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

Terapia Centre

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

Structure, governance and management

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

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

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

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

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

Recruitment and Appointment of Management Committee

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

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

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

Governance

Corporate governance and decision making

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

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

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

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

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

Clinical governance

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

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

Trustee Induction and Training

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

Fundraising

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

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

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

Statement of trustees' responsibilities

The trustees, who are also the directors of Terapia for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

Disclosure of information to auditor

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

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

D Shah

Trustee

Dated: 26 September 2023

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CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Report from Bozena Merrick, CEO and Founder.

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

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

Bothy Centre and Terapia Services

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

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

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

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

Terapia Training

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

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

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

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

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

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CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Terapia School Services

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

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

Our trainees also worked in three organisations:

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

Senior Mental Health Lead training programme

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

The Bothy Charity Shop

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

Events

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

Risks and Mitigations

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

Terapia Training:

Risks:

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

Bothy Centre

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

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CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

How we plan to mitigate the risks:

Terapia Training:

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

Bothy Centre:

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

Conclusion

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

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

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

TERAPIA

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TERAPIA

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

TERAPIA

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Citroen Wells

26 September 2023

**Chartered Accountants
Statutory Auditor**

Devonshire House
1 Devonshire Street
London
W1W 5DR

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

TERAPIA

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

All income and expenditure derive from continuing activities.

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

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

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

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

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

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

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

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

K E Malyali
Trustee

D Shah
Trustee

Company Registration No. 05523517

TERAPIA

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

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Prior period error

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

1.3 Going concern

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

1.4 Charitable funds

Restricted funds

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

Unrestricted funds

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

1.5 Income

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

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

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

TERAPIA

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

1 Accounting policies

(Continued)

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

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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

1.7 Property, plant and equipment

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

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

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

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

1.8 Impairment of non-current assets

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

1.9 Cash and cash equivalents

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

TERAPIA

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

1 Accounting policies

(Continued)

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

1.12 Retirement benefits

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

2 Donations and legacies

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

TERAPIA

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

3 Other trading activities

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

4 Charitable activities

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

TERAPIA

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

5 Other income

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

6 Charitable activities

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

For the year ended 31 December 2021

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

TERAPIA

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

6 Charitable activities

(Continued)

Analysis by fund

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

7 Support and governance costs

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

8 Trustees

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

None of the current trustees are remunerated by the charity.

TERAPIA

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

9 Employees

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

	2022 Number	2021 Number
Employees	15	13

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

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

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

10 Taxation

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

TERAPIA

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

11 Property, plant and equipment

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

12 Trade and other receivables

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

TERAPIA

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

13 Current liabilities

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

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

TERAPIA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Restricted funds

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

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

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

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

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

TERAPIA

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

15 Analysis of net assets between funds

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

16 Operating lease commitments

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

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

17 Related party transactions

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

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

18 Cash generated from operations

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