

**Broadway Lodge Limited**  
(A Charitable Company Limited by Guarantee)

**Annual Report and Financial Statements**

**For the Year Ended 31 March 2021**

Company Number: 01201899  
Charity Registered in England and Wales Number: 269167

**Broadway Lodge Limited**  
Contents  
For the Year Ended 31 March 2021

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	<u>Page</u>
Contents	1
Reference and Administrative Details	2
Trustee Directors' Report	3 – 10
Statement of Trustees' Responsibilities	11
Independent Auditors' Report	12 – 15
Statement of Financial Activities	16
Balance Sheet	17
Statement of Cashflows	18
Notes to the Financial Statements	19 – 31

**Broadway Lodge Limited**  
Reference and Administrative Details  
For the Year Ended 31 March 2021

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**Trustees and Directors**

A S Lyttelton (Chair)  
C Cole  
Rev P Davis  
R Flack  
P Gay  
C Hall-Tomkin  
C Jelf  
Dr P Seviour  
C Sparks

**Chief Executive**

D Sweetnam

**Senior Management Team**

L Ali  
M Trew  
G Volans

**Principal Office and Registered Office**

Broadway Lodge  
37 Totterdown Lane  
Weston Super Mare  
Somerset  
BS24 9NN

**Bankers**

Lloyds Bank PLC  
15 Blackheath Village  
Kidbrooke  
London  
SE3 9LH

**Solicitors**

Foot Anstey  
The Quad  
Blackbrook Park Avenue  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

**Auditors**

Albert Goodman LLP  
Goodwood House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

The Trustees, who are also directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31<sup>st</sup> March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and are in accordance with the Companies Act 2006. The charity is variously referred to throughout this report as either "the charity", "the company" or "the charitable company".

## **Reference and Administration Details**

Charity number: 269167

Company number: 01201899

Registered address: Broadway Lodge, 37 Totterdown Lane, Weston-super-Mare, BS24 9NN

## **Structure, governance and management**

### Governing document

The organisation is a charitable company limited by guarantee, incorporated on the 27<sup>th</sup> February 1975. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The following trustees who are also directors for the purposes of company law, served during the year and to date:

C Cole:	University Lecturer/Strategy & Innovation	
P Davis:	Supernumerary Minister	
R Flack:	Solicitor	
P Gay:	Property Investor and Farmer	
C Hall-Tomkin	Property Investor and Business Consultant	(Appointed 12 <sup>th</sup> July 2021)
C Jelf:	Insurance Broker	
S Lyttelton	Music Curator and Consultant	(Appointed 15 <sup>th</sup> February 2021)
P Seviour:	Retired GP	(Appointed 7 <sup>th</sup> August 2020)
C Sparks:	Retired Nurse	

### Organisational structure

The full Board of Trustees meets a minimum of 6 times a year and is responsible for the strategic direction and policy of the charity. These meetings are also augmented by actual and virtual interim board meetings to support the decision-making process as and when the need arises.

Day to day responsibility rests with the Chief Executive and the Senior Management Team (SMT). The Chief Executive has delegated responsibility from the Board of Trustees to ensure that the charity delivers the services described in the objectives and activities and complies with all applicable statutory requirements.

The Integrated Governance Committee meets quarterly with attendance from the Board of Trustees, members of SMT and representatives from across the organisation. The Committee oversees clinical governance, policies and procedures, health and safety, compliance with applicable statutory requirements and risk assessments. It also ensures through cross-organisation representation that all requirements of the CQC are met.

The Clinical Governance Committee meets prior to the Integrated Governance Committee with attendance from the clinical staff and relevant staff members. The Committee oversees the clinical management and controls of the charity.

#### Method of Appointment or Election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

#### Policies for the Introduction and Training of Trustees

New Trustees are provided with an induction programme upon joining the Charity.

#### Election of new Trustee Chairperson

Following ten years of service as a Trustee and latterly Chairperson, Mr R Flack has decided to pass on the responsibility of Chair to another elected trustee. The Board of Trustees have appointed Mr S Lyttelton to preside over the board. The Board of Trustees would like to thank R Flack for his commitment to Broadway Lodge and are pleased that he has decided to remain a trustee and a valuable member of the board.

#### Arrangements for setting pay and remuneration of the charity's key management personnel

The Board sets the remuneration package for the Chief Executive based on a package commensurate with the industry norm.

The Chief Executive sets the pay level, with ratification of the Board, of all other members of the SMT.

The Chief Executive sets the pay level of all other staff excepting the above.

#### Relationships between Broadway Lodge and related parties

Broadway Lodge is not affiliated with any umbrella groups nor does it have any subsidiaries. It occasionally joins other organisations in partnership to bid for contracts in which case a memorandum of understanding underpins the arrangement and a contract delineates the particulars of the partnership if the bid is successful.

### **Objectives and Activities**

The charity's objective and principal activity is the treatment of addiction and associated harms of individuals and their families, focusing on the 12-step philosophy. The trustees ensure that at all times and in all areas, policies are in place to enable the charity to fulfil its objectives.

The charity's adopted mission statement is:

- To provide the highest quality of care and treatment for people suffering from addiction
- To improve the quality of life for those individuals, their families and communities

The charity offers an extensive range of flexible treatment and rehabilitation services including detoxification, residential rehabilitation, supported housing and community services. Associated activities including education, training and consultancy available to schools, colleges, the public sector and corporate organisations and collaborative working with other treatment providers in order to raise awareness of addiction, treatment options and programmes.

#### How our Activities Deliver Public Benefit

The charity's treatment programmes continue to provide the opportunity for individuals to become abstinent from their addiction and go on to lead fulfilling lives, many engaging in further education and employment.

The charity continues to receive enquiries from individuals, families and health care professionals trying to obtain charitable assistance. The organisation endeavours to provide as much charitable assistance as is feasibly possible, and it is the aim of the charity to significantly increase this offering in the future. It is envisaged that the increased self-paying and corporate markets will help the charity to achieve this.

Although interrupted by the Covid-19 pandemic, the charity hopes to reinstate the Schools Programme when safe to do so. These are delivered by both counsellors and patients, the programme providing education around addiction to young people as part of their PSHE.

The charity also hopes to reinstate education to trainees through placements. Mental Health Nurses, Social Workers, Police Officers and Counsellors are able to develop their knowledge of addiction and substance misuse as part of their vocational training.

#### **Financial Review**

##### Result for the year

The Covid-19 pandemic had a devastating impact on the financial result for the year. The operating deficit to 31<sup>st</sup> March 2021 was £302,971 (surplus to 31<sup>st</sup> March 2020 was £64,436). The deficit would have been significantly worse if Broadway Lodge had not received multiple government grants in the year. These grants included the Job Retention Scheme (Furlough) and Infection Control and Testing Grants, £144,430 in total. Broadway Lodge continues to benefit from these Grants in the year to 31<sup>st</sup> March 2022.

Longer term debt reduced in the year from £84,212 to £65,608. Broadway Lodge has continued to move forward with the intended refurbishment of the main building and has taken advantage of the Coronavirus Business Interruption Loan Scheme (CBILS) backed by the UK Government. The charity has entered into a loan agreement with Triodos Bank plc for £450,000 for this development project and the first drawdown against this loan for £11,479 was made in January 2021 and is included in the £65,608 mentioned above.

The balance sheet remains strong as at 31<sup>st</sup> March 2021 and total charity funds were £2,475,634.

As reported in last year's financial statements the cash generated by the disposal of three under utilised properties in the year to 31<sup>st</sup> March 2020 was to be re-invested in the refurbishment of the main house; however, with the on-set of the Covid-19 pandemic a good proportion of the cash reserves have helped to support the charity to meet its operating costs in the year to 31<sup>st</sup> March 2021, many of which are fixed in nature. Cash reserves in the year reduced by £278,006, from an opening balance of £727,268 to £449,262 as at 31<sup>st</sup> March 2021, as a direct consequence of supporting the charity through the pandemic.

#### Reserves policy

The charity's reserve policy is to hold two months' worth of unrestricted activities in liquid funds. This would equate to approximately £310k. Given the uncertainty of Covid-19, it is vital that the charity has enough free reserves should there be a need, the charity currently has reserves well in excess of the reserve policy for this purpose.

#### Principal funding sources

The charity's principal funding source is from the provision of detoxification and residential rehabilitation to clients referred by local authorities, NHS bodies, insurance companies and private individuals. The funding allows the provision of a robust medically managed detoxification and therapeutic residential programme.

#### Investment policy and objectives

Although the charity has the option to hold funds not required for the day to day running on short term deposits with the bankers, due to the uncertainty of the Covid-19 situation it will be prudent to have instant access to surplus cash at all times for the foreseeable future and not hold funds on deposit.

#### Fundraising policy

Fundraising activities are conducted in accordance with the Code of Fundraising Practice issued by the Fundraising Regulator. The charity's principal means of fundraising is through donations, mainly from former patients and their families. Donations represent a very small amount of income, it is not the primary income stream for the charity. The charity does not sell nor purchase mailing lists for the purpose of raising funds. The charity does not use direct marketing, telephone campaigns, or public collections and does not employ third party agencies.

### **Achievements and Performance**

#### Covid-19 Pandemic

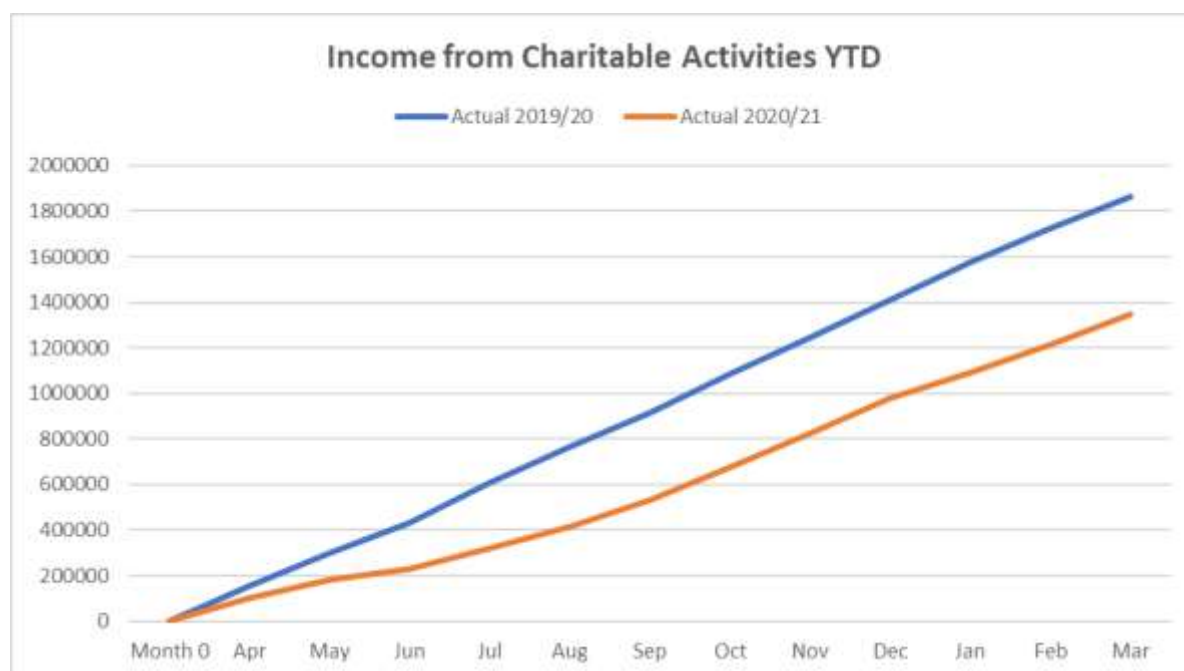
The Covid-19 pandemic will be the dominating factor for almost every organisation in the world when reporting on the financial impact in the year. There will be businesses and charities that have benefitted and those that have suffered financially during this time. Unfortunately, Broadway Lodge currently sits within the latter.

As reported last year, following the national lockdown announcement on 23<sup>rd</sup> March 2020, Broadway Lodge had to make the difficult decision to close to all new client admissions. This decision was made to uphold the charities duty of care to the residents already in treatment.

Prior to this date, referrals had ceased from local authorities as drug and alcohol services were no longer conducting face to face consultations with their clients. Referring organisations began to spend time adapting to the new 'normal' by encouraging staff to work from home and creating on-line services so that they could reach out to their clients in the months that followed the announcement. Broadway Lodge also adapted to the new working environment, where non-client facing staff were encouraged to work from home and on-line services were provided.

Broadway Lodge re-opened to new admissions on 1<sup>st</sup> June 2020, this gave enough time to set up new facilities for clients to be admitted into the new medical unit for quarantine purposes and source adequate PPE for our medical staff.

Due to the temporary closure to new admissions the income stream for Broadway Lodge was severely impacted during the financial year. Year on year decrease in income for the charity was 28%.



Staff costs represented 81% of the total costs incurred for charitable activities during this financial year. Although Broadway Lodge was able to take advantage of the Job Retention Scheme for staff, the need to provide care to the clients still in treatment, although low in numbers, meant that we were unable to furlough many staff or close the charity completely. The grant funding received from the Job Retention Scheme represented less than a 6% saving against our staff costs in the year.

The downturn in income and the need to absorb a high level of fixed cost has understandably had a direct impact on the profitability for the year. The graph below highlights the impact on Operating Profit for the year.





For many providers of addiction residential services 2020/2021 will be regarded as a year of survival or closure. Broadway Lodge was fortunate to have adequate cash reserves to support the charity during this difficult time. Broadway Lodge is now investing in the facilities on offer, there is a healthy waiting list to come into treatment and the future is looking bright.

To date, Broadway Lodge has not had a single client contract Covid-19 whilst in treatment. This is testament to the careful planning of new admissions and conscientious nature of all staff in the organisation.

As reported last year, Broadway Lodge is currently pursuing a claim with our insurers for Business Interruption due to the pandemic. The insurance company has yet to accept or decline responsibility for the claim. An independent review of the policy wording and impact on the charity has been made and Broadway Lodge has been advised that a claim should be valid. Broadway Lodge has also been advised that this is a 'marathon' and not a 'sprint', so the claim is likely to take some considerable time.

## **Future Developments**

### The Refurbishment

One of the most significant developments to happen at Broadway Lodge for a number of years is the move towards the provision of more single room accommodation and the reduction in numbers of shared rooms. The refurbishment has created 10 single en-suite bedrooms, complete with large comfortable beds, wardrobe and desk space for private study work. In addition, new en-suite twin rooms providing accommodation with the same facilities and fittings have been created.

The communal living areas have been finished to the same specification with new furniture and additional break-out seating areas. Always a major emphasis at Broadway Lodge, good quality healthy food continues to be a focus. The dining experience is being enhanced by completely remodelling the dining room, including the creation of a bespoke servery with areas for hot food, chilled display and beverage dispensing area.

In addition to the communal dining experience, there are also multi-functional booth areas to create a more discreet space for those with eating disorders.

Additional bathroom capacity has been incorporated as part of the refurbishment, together with new and spacious accessible wet-room capability in close proximity to the lift. Bedroom layout has also been developed to provide areas that can be segregated for female or male occupancy, with breakout seating in those suite areas.

Not all of the refurbishment work remains on show; a number of structural modifications and building infrastructure improvements have been made as part of the project. By necessity, in an older building, some repair work has been essential. This has been the ideal opportunity to do this.

The changes to the building layout, the modifications to ensure a Covid-safe environment and the overall improvements have resulted in an effective total bed capacity of around 38.

The trustees commitment to the business plan and support for the senior management team's approach, both to managing the business during the Covid-19 pandemic and vision for continuing treatment, has been clear. Now that the refurbishment is complete, bed capacity has increased and the number of clients admitted will gradually begin to rise.

#### Information Technology

A planned IT virtualisation project was accelerated at the beginning of the year by a server failure which, testament to our IT resilience and back-up plan, resulted in no data loss but did serve to kick-start the project. The resulting solution has proved to be every bit as good as the existing system but with the added benefit of enabling improved remote working.

The installation of a full fibre connection has improved the performance of the system and enabled further integration with telephony.

#### Telecoms

Another significant area of investment in the infrastructure at Broadway Lodge has been the inception and delivery of a new telephony system. Integral to the success of this was the installation of a complete optical fibre link to the building.

The benefits this has brought have been numerous; besides being able to contact members of all departments more readily, the new system enables flexible working locations for staff, improved connectivity for those in treatment to contact family using video technology and the integration of multiple devices on the network.

#### Marketing

Funding of placements and the various models of procurement have been variable during the past year. Central government has, in reaction to the impact of Covid, provided some significant grant funding recognising the specific challenges faced in society. The models for deployment of these grants, which have had to be distributed in very short timescales, have often resulted in consortium groups being formed. Broadway Lodge has benefitted by being selected to deliver services to a consortium and that service is underway.

Other traditional tender processes are still being used, with some of these presenting significantly onerous documentation just to even be considered for inclusion on a framework to provide services. That level of bid input results in such a high 'cost of sale' that it risks becoming too difficult to bid for with no assurance of any work resulting – a short-sighted process. The overall risk to the wider treatment community is that fewer quality detox and rehab centres will be accessible to patients.

That trend affirms the reason behind the emphasis of Broadway Lodge to look at a more self-funding client group. Significant emphasis has been placed on marketing through case study, blogs, social media posts and extremely positive reviews, all serve to drive increased website traffic, enquiries and ultimately admissions.

This continued growth in enquiries, combined with the confidence of clients having received safe treatment and the reputation of Broadway Lodge, together with the upgraded facilities all support the contention that significant revenue growth will occur throughout 2021/22.

#### Compassion Focused Therapy

The treatment approach at Broadway Lodge is based on the constantly reviewed, evaluated and updated Minnesota model with abstinence as its foundation and employment of the spiritual principles of the 12 steps as the basis of recovery.

At Broadway Lodge we remain up-to-date with evidence-based research and Compassion Focused Therapy, as well as making use of what we know works from our long experience of delivering treatment. We have adapted our model to include a broad suite of interventions that accommodate different clients' beliefs and aspirations.

#### Staff and Volunteers

Broadway Lodge continues to support employees throughout the Covid-19 pandemic and employment has been retained and is secure for all staff in the coming year.

Staff wellbeing has been paramount through the introduction of a staff wellbeing programme, holistic therapies, and external supervision. Broadway Lodge will be adding to the staff wellbeing programme this year.

A new volunteer programme has been developed and will commence in the autumn.

#### **Risk Management**

The Board of Trustees has identified that at present the highest risks for Broadway Lodge continue to be as follows:

R1 If the continuance of the Covid-19 pandemic requires Broadway Lodge Ltd to cease new admissions into treatment

R2 Potential reduction in the number of referrals due to austerity measures in Local Authority budgets, particularly in light of the government expenditure on the pandemic

R3 Reduced income arising as a result of R1 and R2 above which may significantly impact the profitability of the Charity

To mitigate these risks the following actions have been planned or have already been put in place:

- If there is a need to close Broadway Lodge to new admissions owing to Covid-19 measures, the closure should only be temporary. The charity possesses sufficient cash reserves to support the charity if required
- Diversification of target patients base beyond statutory and existing referral sources following the refurbishment. Robust targeting of private and corporate clients
- More investment in staff training and a planned increase in marketing spend
- Through increased staff training we will be able to diversify our activities further – such as holistic treatments, family support, consultancy provision, provision of sub-contracted services, educational and training services.
- Continuing sound and prudent financial management.

#### **Small company provision**

The report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Signed by order of the trustees on 15<sup>th</sup> November 2021.

A S Lyttelton  
Chair and Trustee

**Broadway Lodge Limited**  
Statement of Trustees' Responsibilities  
For the Year Ended 31 March 2021

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The trustees (who are also directors of Broadway Lodge Limited for the purposes of company law) are responsible for preparing the Trustee Directors' Annual Report, Strategic Report and the financial statements in accordance with 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).

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 charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on 15<sup>th</sup> November 2021 and signed on their behalf by:

A S Lyttelton  
Chair and Trustee

## **Broadway Lodge Limited**

Independent Auditor's Report to the Members  
For the Year Ended 31 March 2021

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### Opinion

We have audited the financial statements of Broadway Lodge Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 charitable company 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustee Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **Broadway Lodge Limited**

### **Independent Auditors' Report to the Members For the Year Ended 31 March 2021**

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In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustee Directors' Report, which includes the Directors' Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustee Directors' Report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustee Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustee Directors' Report and from the requirement to prepare a Strategic Report.

#### Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Broadway Lodge Limited**

### **Independent Auditors' Report to the Members For the Year Ended 31 March 2021**

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#### Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the social care sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, Charities Act 2011, CQC registration and data protection, anti-bribery, employment, protection of vulnerable residents and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

## **Broadway Lodge Limited**

Statement of Financial Activities (including an Income and Expenditure Account)  
For the Year Ended 31 March 2021

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- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the CQC and other relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Robert Oram BFP FCA  
Senior Statutory Auditor  
for and on behalf of  
Albert Goodman LLP  
Chartered Accountants  
Statutory Auditor

Goodwood House  
Blackbrook Park Avenue  
Taunton  
Somerset  
TA1 2PX

16<sup>th</sup> November 2021



**Broadway Lodge Limited**

## Statement of Financial Activities (including an Income and Expenditure Account)

For the Year Ended 31 March 2021

	Notes	Unres- tricted £	Res- tricted £	Total 2021 £	Unres- tricted £	Res- tricted £	Total 2020 £
<b>Income:</b>							
Grants, donations and legacies	2	180,152	49,782	229,934	73,064	-	73,064
Interest received	3	-	-	-	2,032	-	2,032
Charitable activities	4	1,347,005	-	1,347,005	1,865,337	-	1,865,337
Gain on disposal of tangible fixed assets		-	-	-	369,047	-	369,047
<b>Total income</b>		<b>1,527,157</b>	<b>49,782</b>	<b>1,576,939</b>	<b>2,309,480</b>	<b>-</b>	<b>2,309,480</b>
<b>Expenditure:</b>							
Interest paid		3,310	-	3,310	3,972	-	3,972
Charitable activities	6	1,832,852	43,748	1,876,600	1,867,025	5,000	1,872,025
<b>Total expenditure</b>		<b>1,836,162</b>	<b>43,748</b>	<b>1,879,910</b>	<b>1,870,997</b>	<b>5,000</b>	<b>1,875,997</b>
<b>Net income/ (expenditure) for the year</b>		<b>(309,005)</b>	<b>6,034</b>	<b>(302,971)</b>	<b>438,483</b>	<b>(5,000)</b>	<b>433,483</b>
Transfers between funds	17	6,034	(6,034)	-	-	-	-
<b>Net movement in funds for the year</b>		<b>(302,971)</b>	<b>-</b>	<b>(302,971)</b>	<b>438,483</b>	<b>(5,000)</b>	<b>433,483</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		2,778,605	-	2,778,605	2,340,122	5,000	2,345,122
<b>Total funds carried forward</b>		<b>2,475,634</b>	<b>-</b>	<b>2,475,634</b>	<b>2,778,605</b>	<b>-</b>	<b>2,778,605</b>

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

The statement of financial activities incorporates the income and expenditure account.

**Broadway Lodge Limited – Company Registration Number: 01201899**

## Balance Sheet

As at 31 March 2021

		<b>2021</b>		<b>2020</b>	
		£	£	£	£
	<b>Notes</b>				
<b>Fixed assets</b>					
Tangible fixed assets	9	2,214,277		2,186,310	
		<u>2,214,277</u>		<u>2,186,310</u>	
<b>Current assets</b>					
Debtors	10	149,108	190,320		
Cash at bank and in hand		449,262	727,268		
		<u>598,370</u>	<u>917,588</u>		
<b>Liabilities:</b>					
Creditors falling due within one year	11	(271,405)	(241,081)		
		<u></u>	<u></u>		
Net current assets		326,965		676,507	
<b>Total assets less current liabilities</b>		<u>2,541,242</u>		<u>2,862,817</u>	
<b>Creditors</b>					
Amounts falling due in more than one year	13	(65,608)	(84,212)		
<b>Total net assets</b>		<u>2,475,634</u>		<u>2,778,605</u>	
<b>The funds of the charity:</b>					
Restricted funds	15	-	-		
Unrestricted funds	15	2,118,800	2,421,771		
Revaluation reserve		356,834	356,834		
<b>Total charity funds</b>		<u>2,475,634</u>	<u>2,778,605</u>		

Approved by the Board for issue on 15<sup>th</sup> November 2021 and signed on its behalf by:

A S Lyttelton  
Chair and Trustee

Rev P Davis  
Trustee

**Broadway Lodge Limited**  
Statement of Cashflows  
For the Year Ended 31 March 2021

		<b>Total 2021</b>	<b>Total 2020</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
<b>Cash flows from operating activities</b>			
Net movements in funds for the year		(302,971)	433,483
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	10	25,380	25,139
(Gain)/Loss on sale of assets		-	(369,047)
Interest paid		3,310	3,972
Interest received	3	-	(2,032)
		<u>(274,281)</u>	<u>91,515</u>
Working capital adjustments			
(Increase)/decrease in debtors	11	41,212	(77,052)
Increase/(decrease) in creditors	12	19,389	24,059
		<u>(213,680)</u>	<u>38,522</u>
<b>Cash flows from investing activities</b>			
Interest received	3	-	2,032
Receipts from sale of tangible assets		-	615,047
Purchase of fixed assets		(53,347)	(73,701)
		<u>(53,347)</u>	<u>543,378</u>
<b>Cash flows from financing activities</b>			
Interest paid		(3,310)	(3,972)
Advances of new long term loans		11,479	-
Repayments of existing long term loans		(19,148)	(18,487)
		<u>(10,979)</u>	<u>(22,459)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(278,006)</u>	<u>559,441</u>
Cash and cash equivalents at the beginning of the reporting period		<u>727,268</u>	<u>167,827</u>
Cash and cash equivalents at the end of the reporting period		<u>449,262</u>	<u>727,268</u>

**1 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are:

**1.1 Basis of accounting**

The Financial Statements have been prepared in accordance with 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Broadway Lodge Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). All amounts are presented in £ sterling.

**1.2 Going concern**

The trustees have considered the implication of the Covid-19 pandemic on the operations of the charity. The charity has been able to continue to deliver its charitable services but at a reduced level leading to a reduction of income. The charity has sufficient reserves to cover the reduced income as service levels come back up to pre pandemic levels. The trustees therefore consider that it remains appropriate to prepare the accounts on a going concern basis.

**1.3 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.4 Income**

Income from donations is recognised in the year in which they are receivable when there is evidence of entitlement, receipt is probable and the amount can be reliably measured.

For legacies, entitlement is taken as the earlier of the date on either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income from grants, where 'capital' or 'revenue', is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where no conditions are attached to grant income they are recognised within donations and gifts and where conditions relating to performance of services are attached, grant income is recognised within charitable activities in the Statement of Financial Activities.

Income from charitable activities is included in the period in which the charity is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured. Where income is received in advance of provision of detoxification and residential services, income is deferred until the criteria for income recognition is met. Where income has not been received and detoxification and residential services have been provided, income is accrued.

**1 Accounting policies (cont'd)**

**1.5 Interest received**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of interest paid or payable by the bank.

**1.6 Expenditure and support costs**

Expenditure is recognised on an accruals basis to match the period in which the expenditure was incurred. The charity's significant activity is detoxification and residential services and all support costs are attributable to this activity.

**1.7 Pension costs**

The charitable company operates a defined contribution pension scheme. Contributions payable to the scheme are charged to the Statement of Financial Activities in the period to which they relate.

**1.8 Operating leases**

The charity classifies the lease of property and office equipment as operating leases as title remains with the lessor. Rentals are charged on the straight line basis over the term of the lease through the profit and loss account.

**1.9 Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations or grants which the donor has specified are to be solely used for particular areas of the charity.

**1.10 Tangible assets**

Depreciation is calculated to write off the cost or valuation of fixed assets less residual value over their estimated useful lives at the following rates:-

Freehold land	- Nil
Freehold property	- 2% straight line less residual value
Fixtures, fittings and equipment	- 20% straight line
Motor vehicles	- 20% straight line

Fixed assets are valued at cost less depreciation. Freehold property residual value has been considered by the trustee directors' to equate to the freehold property cost. No depreciation is charged on the freehold property.

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

**1.11 Debtors**

Trade and accrued income are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1 Accounting policies (cont'd)**

**1.13 Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.14 Deferred income**

Deferred income comprises income received in advance specifically for the provision of detoxification and residential services. Deferred income is recognised within income in the Statement of Financial Activities when the conditions for income from charitable activities recognition are met.

**1.15 Financial instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.16 Taxation**

The company is a registered charity and is therefore not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only. Value added taxation is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities.

## 2 Grants, donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Donations and legacies	4,150	-	4,150	11,064	-	11,064
Grants	81,354	49,782	131,136	62,000	-	62,000
Exceptional grants: CJRS income	94,648	-	94,648	-	-	-
	<u>180,152</u>	<u>49,782</u>	<u>229,934</u>	<u>73,064</u>	<u>-</u>	<u>73,064</u>

The charity has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding is shown above under 'grant income'.

## 3 Interest receivable

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Bank interest	-	-	-	2,032	-	2,032

## 4 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Detoxification and residential services	1,324,636	-	1,324,636	1,860,168	-	1,860,168
Sundry income	22,369	-	22,369	5,169	-	5,169
	<u>1,347,005</u>	<u>-</u>	<u>1,347,005</u>	<u>1,865,337</u>	<u>-</u>	<u>1,865,337</u>

**Broadway Lodge Limited**

## Notes to the Financial Statements

For the Year Ended 31 March 2021

**5 Expenditure from charitable activities**

	<b>Unres- tricted £</b>	<b>Res- tricted £</b>	<b>2021 Total £</b>	<b>Unres- tricted £</b>	<b>Res- tricted £</b>	<b>2020 Total £</b>
Staff costs	1,484,670	41,931	1,526,601	1,463,971	-	1,463,971
Household and maintenance	146,556	-	146,556	202,324	-	202,324
Medical consumables	20,055	1,587	21,642	14,642	-	14,642
Patient and programme	8,993	-	8,993	8,629	5,000	13,629
Administration costs	14,221	230	14,451	20,406	-	20,406
Marketing costs	7,771	-	7,771	13,382	-	13,382
Legal and professional	117,192	-	117,192	105,209	-	105,209
Bad debts	(970)	-	(970)	(421)	-	(421)
Depreciation and amortisation	25,380	-	25,380	25,139	-	25,139
Finance charges	2,624	-	2,624	7,064	-	7,064
Audit fee	6,120	-	6,120	6,120	-	6,120
Accountancy	240	-	240	560	-	560
	<u>1,832,852</u>	<u>43,748</u>	<u>1,876,600</u>	<u>1,867,025</u>	<u>5,000</u>	<u>1,872,025</u>



**6 Wages and salaries**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,293,623	1,228,536
Social security costs	110,283	97,638
Other pension costs	87,872	84,332
Other staff costs	34,823	53,465
	<u>1,526,601</u>	<u>1,463,971</u>

The number of employees whose annual emoluments were £60,000 or more were:

	<b>2021</b>	<b>2020</b>
	<b>number</b>	<b>number</b>
£80,000 - £89,999	<u>1</u>	<u>-</u>

**Number of employees**

The average monthly number of employees during the year was as follows:

	<b>2021</b>	<b>2020</b>
Doctors	1	1
Nurses	21	22
Counsellors	9	9
Support workers	4	5
Administration	12	12
Domestic and catering	8	10
	<u>55</u>	<u>59</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the Senior Management Team. The total employee benefits of the key management personnel of the charity were £265,414 (2020: £204,815).

**7 Trustee directors**

The charity trustees were not paid and did not receive any other benefits as trustees of the charity in the year (2020: £nil). No expenses were reimbursed to trustees (2020: £Nil) during the year. No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

There were no other related party transactions in the year (2020: none).

**8 Net income for the year before transfers**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation and amortisation	25,380	25,139
Gain on disposal of tangible fixed assets	-	(369,047)
Operating leases	9,189	7,949
Auditors remuneration		
Audit services	5,880	6,120
Other services: accounting	720	560
	<u>          </u>	<u>          </u>

**9 Tangible assets**

	<b>Freehold Property £</b>	<b>Fixtures, Fittings and Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2020	2,116,865	308,514	21,978	2,447,357
Additions	42,083	11,264	-	53,347
At 31 March 2021	2,158,948	319,778	21,978	2,500,704
<b>Depreciation</b>				
At 1 April 2020	-	250,557	10,490	261,047
Charge for the year	-	20,984	4,396	25,380
At 31 March 2021	-	271,541	14,886	286,427
<b>Net book value</b>				
At 31 March 2021	2,158,948	48,237	7,092	2,214,277
At 1 April 2020	2,116,865	57,957	11,488	2,186,310

The company has created a fixed legal charge over some of the properties of Broadway Lodge Limited and such assets are included within freehold property above.

**9 Tangible assets (cont'd)**

**Historical cost of previously revalued freehold property**

Cost	£
At 1 April 2020	1,760,031
Additions	42,083
Disposals	-
	<hr/>
At 31 March 2021	1,802,114
	<hr/> <hr/>
Depreciation	
As at 1 April 2020 at 31 March 2021	-
	<hr/>
Net book value	
At 31 March 2021	1,802,114
	<hr/> <hr/>
At 31 March 2020	1,760,031
	<hr/> <hr/>

The freehold property was valued by professional external valuers in March 1998. The valuations were on the basis of existing or change of use excluding internal fittings, loose furnishings and loose furniture.

**10 Debtors**

	2021	2020
	£	£
Trade debtors	78,091	111,269
Prepayments and accrued income	71,017	79,051
	<hr/>	<hr/>
	149,108	190,320
	<hr/> <hr/>	<hr/> <hr/>

**11 Creditors: amounts falling due within one year**

	2021	2020
	£	£
Trade creditors	73,235	59,190
Accruals and deferred income	158,669	153,325
Other creditors	9,418	9,418
Bank loans	30,083	19,148
	<hr/>	<hr/>
	271,405	241,081
	<hr/> <hr/>	<hr/> <hr/>

**12 Deferred income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Balance as at 1 April 2020	88,461	83,213
Amount released to income for charitable activities	(117,781)	(66,313)
Amount deferred in year	115,061	71,561
	<u>85,741</u>	<u>88,461</u>
Balance at 31 March 2021	<u>85,741</u>	<u>88,461</u>

**13 Creditors: amounts falling due in more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank loans due < 5 years	95,691	93,736
Bank loans due > 5 years	-	9,624
	<u>95,691</u>	<u>103,360</u>
Less included in current liabilities	(30,083)	(19,148)
	<u>65,608</u>	<u>84,212</u>

Two bank loans are repayable over a 15 year term, ending in 2024 - 2025. Interest on these loans is variable at base rate + 1.75 and + 2.00%, with a minimum rate of 3.5%.

One bank loan is repayable over a 6 year term, ending 2026 - 2027. Interest on this loan is variable at base rate + 4.5%, with a minimum rate of 4.5%. Due to funds not being fully drawn the current level of the loan will be repaid before the end of the loan term.

All borrowings of £95,961 at the year end (2020: £103,360) are secured by way of fixed legal charges over some of the properties of Broadway Lodge in favour of one banking institution.

**14 Statement of funds – 2021**

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
<b>Restricted funds</b>					
Infection Control Grant - Tranche 1	-	15,635	(15,635)		
Infection Control Grant - Tranche 2	-	15,425	(15,425)		
Support Lateral Flow Testing	-	13,974	(7,940)	(6,034)	-
Work Capacity	-	4,748	(4,748)	-	-
<b>Total Restricted Funds</b>	-	49,782	(43,748)	(6,034)	-
<b>Unrestricted funds</b>					
General	2,421,771	1,527,157	(1,836,162)	6,034	2,118,800
Revaluation reserve	356,834	-	-	-	356,834
	2,778,605	1,576,939	(1,879,910)	-	2,475,634

**Statement of funds – 2020**

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
<b>Restricted funds</b>					
Dr A Sharp - bursary beds	5,000	-	(5,000)	-	-
<b>Total Restricted Funds</b>	5,000	-	(5,000)	-	-
<b>Unrestricted funds</b>					
General	1,874,288	2,309,480	(1,870,997)	109,000	2,421,771
Revaluation reserve	465,834	-	-	(109,000)	356,834
	2,345,122	2,309,480	(1,875,997)	-	2,778,605

#### 14 Statement of funds (cont'd)

- Restricted funding received in the year to protect staff and patients against the spread of Coronavirus was fully spent in the year.
- General unrestricted funds are free reserves of the charity to be applied at the discretion of the trustees for any of the charitable purposes.
- Revaluation reserve relates to revaluation of the freehold property in March 1998 by an external valuer under the previously applied UK GAAP accounting standards.

Where transfers have been made from restricted funds, these have been made as funds have been used for the purpose intended and the remaining funds are to be used on activities to further any of the purposes of the charity.

#### 15 Analysis of net assets between funds

	Unres- tricted funds £	Res- tricted funds £	2021 Total £	Unres- tricted funds £	Res- tricted funds £	2020 Total £
Fixed assets	2,214,277	-	2,214,277	2,186,310	-	2,186,310
Current assets	598,370	-	598,370	917,588	-	917,588
Current liabilities	(271,405)	-	(271,405)	(241,081)	-	(241,081)
Creditors due after more than one year	(65,608)	-	(65,608)	(84,212)	-	(84,212)
	<u>2,475,634</u>	<u>-</u>	<u>2,475,634</u>	<u>2,778,605</u>	<u>-</u>	<u>2,778,605</u>

#### 16 Obligations under leases

##### Operating leases

The total future minimum rentals payable under non-cancellable operating leases funded by unrestricted funds are as follows:

	2021 £	2020 £
Operating lease which expire:		
Within one year	10,810	9,577
Within two and five years	12,828	23,744
	<u>23,638</u>	<u>33,321</u>

**17 Financial instruments**

**Categorisation of financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Financial assets that are debt instruments measured at amortised cost	535,616	871,441
	<u>535,616</u>	<u>871,441</u>
Financial liabilities measured at amortised cost	147,262	167,948
	<u>147,262</u>	<u>167,948</u>

**Items of income, expense, gains or losses**

	<b>Income</b>	<b>Expense</b>	<b>Net gains</b>	<b>Net losses</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2021</b>				
Financial assets measured at amortised cost	-	-	-	-
Financial liabilities measured at amortised cost	-	3,310	-	-
	<u>-</u>	<u>3,310</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>3,310</u>	<u>-</u>	<u>-</u>
<b>2020</b>				
Financial assets measured at amortised cost	2,032	-	-	-
Financial liabilities measured at amortised cost	-	3,972	-	-
	<u>2,032</u>	<u>3,972</u>	<u>-</u>	<u>-</u>
	<u>2,032</u>	<u>3,972</u>	<u>-</u>	<u>-</u>

The total interest income for financial assets not measured at fair value through profit or loss is £nil (2020 - £nil). The total interest expense for financial liabilities not measured at fair value through profit or loss is £3,310 (2020 - £3,972).