

Broadway Lodge Limited
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2022

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

Broadway Lodge Limited
Contents
For the Year Ended 31 March 2022

	<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 2022

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 J Pickles 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

Broadway Lodge Limited
Trustee Directors' Report
For the Year Ended 31 March 2022

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 31st March 2022.

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 27th 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 th July 2021)
C Jelf:	Insurance Broker	
S Lyttelton	Music Curator and Consultant	(Chair of Trustees)
P Seviour:	Retired GP	
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.

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.

Broadway Lodge 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 Broadway Lodge to achieve this.

Although interrupted by the Covid-19 pandemic, Broadway Lodge 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.

Broadway Lodge also hopes to reinstate education to trainees through placements with the Charity. 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 continues to have an impact on the financial result for the year. The operating deficit to 31st March 2022 was £159,029 (deficit to 31st March 2021 was £302,971). Broadway Lodge continued to receive financial assistance in the form of multiple government grants in the year. These grants included a small amount for the Job Retention Scheme (Furlough), Infection Control and Testing and Workplace Recruitment and Retention Grants, £99,876 in total.

Longer term debt increased in the year from £65,608 to £446,124. Broadway Lodge has now completed the refurbishment of the main building and took advantage of the Coronavirus Business Interruption Loan Scheme (CBILS) backed by the UK Government. The charity entered into a loan agreement with Triodos Bank plc for £450,000 for this development project.

The balance sheet remains strong as at 31st March 2022 and total charity funds were £2,316,605.

Cash reserves in the year have continued to reduce as a direct consequence of continuing to support the charity through the Covid-19 pandemic and as anticipated, the final refurbishment expenditure was £498,353, so in-excess of the £450,000 loan provided by Triodos Bank plc. The impact of these factors resulted in the cash reserves opening balance of £449,262 reducing to £205,391 by 31st March 2022.

Reserves policy

The charity's reserve policy is to hold two months' worth of unrestricted activities in liquid funds. This would equate to approximately £380k. The charity is currently working to increase reserves following the impact of the pandemic and the refurbishment project.

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.

A message from the Chair of Trustees

My first year as chair of the board of Trustees has been a roller coaster but also incredibly rewarding. I came to this role with experience in retail over a 25 year period managing multi million pound budgets and managing my own business in the last 10 years or so.

During this last year I have got to know all the senior management team and made it my business to become better informed and offer constructive opinion where necessary. I cannot praise enough the efforts of the team over this last year which has thrown up many challenges. The emergence from Covid has proved problematic and the team have proved to be robust in dealing with the messaging from Public Health England and other bodies which at times has been contradictory. The possibly unreal expectation that we would recover quickly from the financial impact of Covid challenged everyone. Recent financial reports have shown that we seem to have now turned a corner.

David, Lee and the team have worked hard to ensure all systems are working to maximum efficiency. This is especially the case with regard to the introduction of a new system in admissions to ensure we reduce the number of empty beds. This is showing to be a great success.

This year we appointed a new patron in Annabel, Viscountess of Portsmouth who was a patient some 37 years ago and is passionate about Broadway. I will be working on fund-raising with her and our other patron Chris Difford over the coming months. I have also introduced Robin Hague as a 'Friend of Broadway'. Robin brings an extensive experience in funding which will fill the gap in knowledge that we have.

There remain many opportunities that I will be encouraging the board to look into.

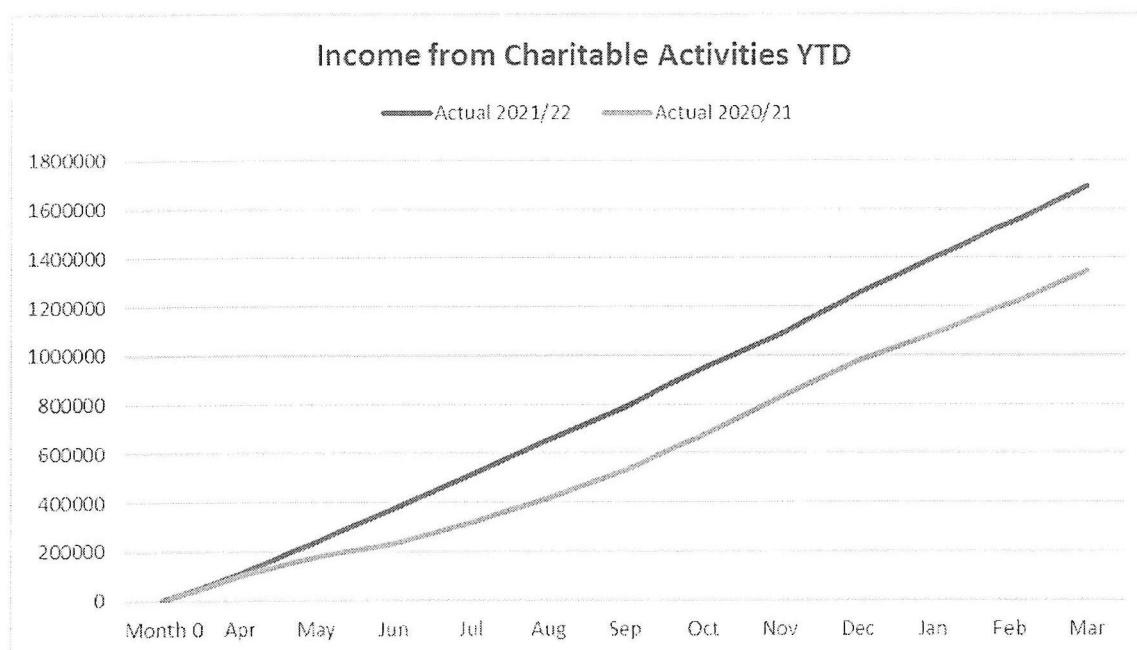
Stephen Lyttelton – Chair of Trustees, Broadway Lodge Ltd

Achievements and Performance

Covid-19 Pandemic

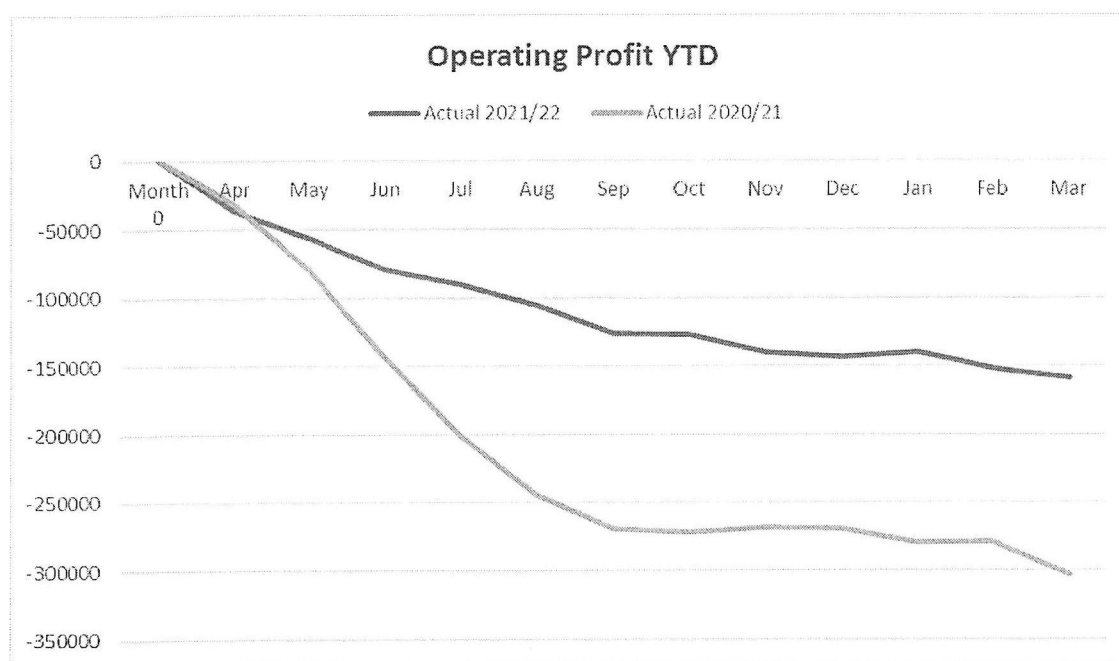
The Covid-19 pandemic continues to be the dominating factor when reporting on the financial impact in the year on Broadway Lodge.

Broadway Lodge is continuing to use the new quarantine facilities to admit clients into treatment. This new medical unit has allowed us to protect the clients that we have in the main house and minimise any further disruption due to Covid-19.



Staff costs remain our highest cost and represented 80% of the total costs incurred for charitable activities during this financial year. As mentioned above Broadway Lodge were able to benefit from a small amount of Job Retention Scheme Grant until it came to a close in September 2021. Broadway Lodge was also able to benefit from Infection Control and Testing Grants and Workforce Recruitment and Retention Funds, this enabled the charity to offset some funding against staff costs, circa 6% of the total staff costs for the year.

The reduced income and the need to absorb a high level of fixed cost, predominantly payroll, has once again had a direct impact on the profitability for the year, although far better than the previous year. The graph below highlights the impact on Operating Profit for this and last year.



Broadway Lodge Limited
Trustee Directors' Report
For the Year Ended 31 March 2022

As previously stated, Broadway Lodge was fortunate to have had adequate cash reserves to support the charity during these difficult times.

Broadway Lodge continues to follow and adapt to all the appropriate government guidance in regard to working with Covid-19 and moving forward aims to keep its excellent record of keeping all clients safe and well whilst in treatment.

Broadway Lodge continues to pursue a claim through its Business Interruption Insurance Policy, as a direct consequence of the pandemic. Dialogue is continuing with the insurers and the charity would hope to resolve this matter in the near future.

Refurbishment – Stage 1

Broadway Lodge has now completed the first (and major) stage of the refurbishment of the facilities on offer to clients.

The refurbishment was conducted with minimal disruption to our clients and 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 also been created.

The communal living areas have been finished to a very high, contemporary standard with new furniture and additional break-out seating areas. The dining experience has been enhanced by completely remodeling the dining room, including the creation of a bespoke servery for hot food, a chilled display and a 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 and single rooms. 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.

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 for up to 40 clients.

Staff and Volunteers

Broadway Lodge have recently introduced SEED - Skill Enhancement & Employee Development Programme

The SEED programme has a focus on expanding capabilities and understanding of treatment of addiction for all members of staff and volunteers. The programme is an opportunity for skills to be shared by staff that have attended recent training sessions and for external providers to train in specialist areas. Expanding the knowledge base of our employees and volunteers in the field of addiction and health care, to ensure that we provide the highest quality of care and treatment.

Broadway Lodge welcomed a new team of volunteers this year. They have been invaluable in supporting clients and staff alike. Our volunteers have previously been in treatment at Broadway Lodge and work within our treatment team to provide transportation when needed for appointments, run additional errands and provide general support. They provide first-hand guidance and advice to our clients as they can directly relate to the treatment process and outcomes.

Enhanced On-line care

As with so many organisations, a by-product of the pandemic has been the introduction of additional on-line services. Broadway Lodge can now offer one-to-one counselling, aftercare and our family programme via an on-line service. This allows clients to attend regardless of geographical location and provides access to specialist, professional, addiction focused counselling services. Our on-line clients do not need to have been in residential treatment at Broadway Lodge.

Consortium detoxification

Broadway Lodge, along with another provider continues to work with the South West Northern consortium to provide detoxifications to clients from various counties surrounding our location. The contract was very successful last year, it has now been renewed with an increase in the number of clients and continues to run smoothly.

Ray Chatbot – App

Broadway Lodge, in partnership with another provider and a specialist IT company, have developed an 'app' for clients to use once they have completed treatment. It provides early recovery support, especially in the first 3-6 months. Ray is completely free to clients for the first year. It helps the client maintain routines and healthy habits. Daily reflections and encouragement can help the client to manage their emotions and thoughts in a self-help way. Although staff at Broadway Lodge cannot see the detailed conversations that a client has with Ray, it can provide data on a client's overall mood, any self-reported abstinences, the frequency that a client uses the bot and topics of concern. This in turn allows our staff to reach out and provide an intervention if necessary.

Ray has now been provided to our clients for more than a year and Broadway Lodge has been analysing the anonymised data to monitor how well clients are doing in their recovery. It has always been a challenge to assess if clients have remained abstinent and are doing well in their recovery, unless they continue to engage with drug and alcohol services. The Ray Chatbot goes some way to do this.

Future Developments

Recovery from Covid-19

The quarantine facility for new admissions remains in place to keep staff and clients as safe as possible. Broadway Lodge, through the continuance of Covid-19 testing, can now arrange for the twin rooms in the Gordon Beard unit to be shared by clients.

Clients remain in the unit until they have received two negative LFT test results, usually after 4 days, but this can vary in line with occupancy and the medical needs of the clients.

As with many drug and alcohol rehabilitation units, Broadway Lodge has a healthy waiting list of clients wanting to come into treatment. Our focus is to attract a higher percentage of fee-paying clients to enable the charity to begin to replenish cash eroded by the pandemic. Packages of care have now been developed that provide comprehensive treatment and additional support services for clients once they have completed their residential stay at Broadway Lodge.

The current financial year for Broadway Lodge is beginning to look much brighter and the charity is pleased to report that it is currently in surplus.

Refurbishment – Stage 2

Broadway Lodge has identified that the main house would greatly benefit from further refurbishment in another area of the building, this was not included in the original refurbishment plans due to cost.

Broadway Lodge Limited
Trustee Directors' Report
For the Year Ended 31 March 2022

Broadway Lodge would like to refurbish the downstairs bedroom that, along with three others already refurbished in the main house, provides additional disabled access. The bedroom is adjacent to toilet and shower facilities, but Broadway Lodge would like to create an en-suite wet room directly accessible from the bedroom and improve the other toilet facilities currently used by clients and staff.

The Gordon Beard Unit would also benefit from additional office and counselling space. Either by way of an extension or separate building structure in the grounds. It is also our plan to install a sluice and upgrade the furniture and decorations in the unit.

As the cost of the second phase of the refurbishment will be much lower than the first, major phase already completed, it is the intention of Broadway Lodge to use surplus funds, as and when available.

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 for this short period of time
- The planned refurbishment of Broadway Lodge is being independently project managed, the professional team working directly with the SMT and staff to minimise disruption to clients
- 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 on12/09/2022.....


A S Lyttelton
Chair and Trustee

Broadway Lodge Limited
Statement of Trustees' Responsibilities
For the Year Ended 31 March 2022

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 on12/09/2022..... 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 2022

Opinion

We have audited the financial statements of Broadway Lodge Limited (the 'charitable company') for the year ended 31 March 2022 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 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 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 2022

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; or
- 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 2022

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 2022

- 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. 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 LLP

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

26/9/2022

Broadway Lodge Limited

Statement of Financial Activities (including an Income and Expenditure Account)
For the Year Ended 31 March 2022

	Notes	Unres- tricted £	Res- tricted £	Total 2022 £	Unres- tricted £	Res- tricted £	Total 2021 £
Income:							
Grants, donations and legacies	2	147,985	74,122	222,107	180,152	49,782	229,934
Charitable activities	4	1,691,254	-	1,691,254	1,347,005	-	1,347,005
Total income		1,839,239	74,122	1,913,361	1,527,157	49,782	1,576,939
Expenditure:							
Interest paid		6,412	-	6,412	3,310	-	3,310
Charitable activities	6	1,991,856	74,122	2,065,978	1,832,852	43,748	1,876,600
Total expenditure		1,998,268	74,122	2,072,390	1,836,162	43,748	1,879,910
Net income/ (expenditure) for the year		(159,029)	-	(159,029)	(309,005)	6,034	(302,971)
Transfers between funds	17	-	-	-	6,034	(6,034)	-
Net movement in funds for the year		(159,029)	-	(159,029)	(302,971)	-	(302,971)
Reconciliation of funds							
Total funds brought forward		2,475,634	-	2,475,634	2,778,605	-	2,778,605
Total funds carried forward		2,316,605	-	2,316,605	2,475,634	-	2,475,634

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 2022

		2022	2021
		£	£
	Notes		
Fixed assets			
Tangible fixed assets	9	2,648,495	2,214,277
		<u>2,648,495</u>	<u>2,214,277</u>
Current assets			
Debtors	10	166,914	149,108
Cash at bank and in hand		205,391	449,262
		<u>372,305</u>	<u>598,370</u>
Liabilities:			
Creditors falling due within one year	11	(258,071)	(271,405)
		<u></u>	<u></u>
Net current assets		114,234	326,965
		<u></u>	<u></u>
Total assets less current liabilities		2,762,729	2,541,242
		<u></u>	<u></u>
Creditors			
Amounts falling due in more than one year	13	(446,124)	(65,608)
		<u></u>	<u></u>
Total net assets		2,316,605	2,475,634
		<u></u>	<u></u>
The funds of the charity:			
Restricted funds	15	-	-
Unrestricted funds	15	1,959,771	2,118,800
Revaluation reserve		356,834	356,834
		<u></u>	<u></u>
Total charity funds		2,316,605	2,475,634
		<u></u>	<u></u>

Approved by the Board for issue on ...12/09/2022... 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 2022

		Total 2022	Total 2021
		£	£
	Notes		
Cash flows from operating activities			
Net movements in funds for the year		(159,029)	(302,971)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	10	24,217	25,380
Interest paid		6,412	3,310
		<u>(128,400)</u>	<u>(274,281)</u>
Working capital adjustments			
(Increase)/decrease in debtors	11	(17,806)	41,212
Increase/(decrease) in creditors	12	(44,693)	19,389
		<u>(190,899)</u>	<u>(213,680)</u>
Net cash flow from operations		(190,899)	(213,680)
Cash flows from investing activities			
Purchase of fixed assets		(458,435)	(53,347)
		<u>(458,435)</u>	<u>(53,347)</u>
Cash flows from financing activities			
Interest paid		(6,412)	(3,310)
Advances of new long term loans		438,521	11,479
Repayments of existing long term loans		(26,646)	(19,148)
		<u>405,463</u>	<u>(10,979)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(243,871)</u>	<u>(278,006)</u>
Cash and cash equivalents at the beginning of the reporting period		449,262	727,268
Cash and cash equivalents at the end of the reporting period		<u>205,391</u>	<u>449,262</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 charity has sufficient reserves to cover the reduced income as service levels caused by the pandemic with income moving back up to pre pandemic levels. The trustees therefore consider that it is 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. 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. 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 £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Donations and legacies	5,478	-	5,478	4,150	-	4,150
Grants	134,169	74,122	208,291	81,354	49,782	131,136
Exceptional grants:						
CJRS income	8,338	-	8,338	94,648	-	94,648
	<u>147,985</u>	<u>74,122</u>	<u>222,107</u>	<u>180,152</u>	<u>49,782</u>	<u>229,934</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 'Grants'.

3 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2022 Total £	Unres- tricted funds £	Res- tricted funds £	2021 Total £
Detoxification and residential services	1,680,657	-	1,680,657	1,324,636	-	1,324,636
Sundry income	10,597	-	10,597	22,369	-	22,369
	<u>1,691,254</u>	<u>-</u>	<u>1,691,254</u>	<u>1,347,005</u>	<u>-</u>	<u>1,347,005</u>

4 Expenditure from charitable activities

	Unres- tricted £	Res- tricted £	2022 Total £	Unres- tricted £	Res- tricted £	2021 Total £
Staff costs	1,578,846	73,803	1,652,649	1,484,670	41,931	1,526,601
Household and maintenance	195,563	-	195,563	146,556	-	146,556
Medical consumables	21,925	200	22,125	20,055	1,587	21,642
Patient and programme	20,318	119	20,437	8,993	-	8,993
Administration costs	18,338	-	18,338	14,221	230	14,451
Marketing costs	15,479	-	15,479	7,771	-	7,771
Legal and professional	122,168	-	122,168	117,192	-	117,192
Bad debts	(14,839)	-	(14,839)	(970)	-	(970)
Depreciation and amortisation	24,217	-	24,217	25,380	-	25,380
Finance charges	3,241	-	3,241	2,624	-	2,624
Audit fee	6,360	-	6,360	6,120	-	6,120
Accountancy	240	-	240	240	-	240
	<u>1,991,856</u>	<u>74,122</u>	<u>2,065,978</u>	<u>1,832,852</u>	<u>43,748</u>	<u>1,876,600</u>

5 Wages and salaries

	2022	2021
	£	£
Wages and salaries	1,380,454	1,293,623
Social security costs	118,423	110,283
Other pension costs	90,822	87,872
Other staff costs	62,950	34,823
	<u>1,652,649</u>	<u>1,526,601</u>

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

	2022	2021
	number	number
£80,000 - £89,999	<u>1</u>	<u>1</u>

Number of employees

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

	2022	2021
Doctors	1	1
Nurses and Healthcare assistants	26	25
Counsellors	10	9
Administration	12	12
Domestic and catering	10	8
	<u>59</u>	<u>55</u>

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and the Senior Management Team (SMT). The total employee benefits of the key management personnel of the charity were £312,999 (2021: £265,414). An employee joined the SMT during the year.

6 Trustee directors

The charity trustees were not paid and did not receive any other benefits as trustees of the charity in the year (2021: £nil). No expenses were reimbursed to trustees (2021: £Nil) during the year. No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

There were no other related party transactions in the year (2021: none).

7 Net income for the year before transfers

	2022	2021
	£	£
This is stated after charging:		
Depreciation and amortisation	24,217	25,380
Operating leases	13,466	9,189
Auditors remuneration		
Audit services	5,850	5,640
Other services: accounting	750	720
	<hr/> <hr/>	<hr/> <hr/>

Broadway Lodge Limited
Notes to the Financial Statements
For the Year Ended 31 March 2022

8 Tangible assets

	Freehold Property £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2021	2,158,948	319,778	21,978	2,500,704
Additions	421,409	37,026	-	458,435
At 31 March 2022	2,580,357	356,804	21,978	2,959,139
Depreciation				
At 1 April 2021	-	271,541	14,886	286,427
Charge for the year	-	19,821	4,396	24,217
At 31 March 2022	-	291,362	19,282	310,644
Net book value				
At 31 March 2022	2,580,357	65,442	2,696	2,648,495
At 1 April 2021	2,158,948	48,237	7,092	2,214,277

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.

8 Tangible assets (cont'd)

Historical cost of previously revalued freehold property

Cost	£
At 1 April 2021	1,802,114
Additions	421,409
Disposals	-
	<u>2,223,523</u>
At 31 March 2022	<u>2,223,523</u>
Depreciation	
As at 1 April 2021 at 31 March 2022	-
	<u>-</u>
Net book value	
At 31 March 2022	<u>2,223,523</u>
	<u>2,223,523</u>
At 31 March 2021	<u>1,802,114</u>

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.

9 Debtors

	2022	2021
	£	£
Trade debtors	100,247	78,091
Prepayments and accrued income	66,667	71,017
	<u>166,914</u>	<u>149,108</u>

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	19,556	73,235
Accruals and deferred income	167,655	158,669
Other creditors	9,418	9,418
Bank loans	61,442	30,083
	<u>258,071</u>	<u>271,405</u>

11 Deferred income

	2022	2021
	£	£
Balance as at 1 April 2021	85,741	88,461
Amount released to income for charitable activities	(176,674)	(117,781)
Amount deferred in year	164,574	115,061
	<hr/>	<hr/>
Balance at 31 March 2022	73,641	85,741
	<hr/> <hr/>	<hr/> <hr/>

12 Creditors: amounts falling due in more than one year

	2022	2021
	£	£
Bank loans due < 5 years	507,566	95,691
Bank loans due > 5 years	-	-
	<hr/>	<hr/>
	507,566	95,691
Less included in current liabilities	(61,442)	(30,083)
	<hr/>	<hr/>
	446,124	65,608
	<hr/> <hr/>	<hr/> <hr/>

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 £507,566 at the year end (2021: £95,961) are secured by way of fixed legal charges over some of the properties of Broadway Lodge in favour of one banking institution.

13 Statement of funds – 2022

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds					
Infection Control Grant - Tranche 3	-	17,009	(17,009)		-
Infection Control Grant - Tranche 4	-	15,651	(15,651)		-
Infection Control Grant - Tranche 5	-	23,159	(23,159)		-
Workforce Recruitment and Retention Fund	-	18,303	(18,303)	-	-
Total Restricted Funds	-	74,122	(74,122)	-	-
Unrestricted funds					
General	2,118,800	1,839,239	(1,998,268)	-	1,959,771
Revaluation reserve	356,834	-	-	-	356,834
	<u>2,475,634</u>	<u>1,913,361</u>	<u>(2,072,390)</u>	<u>-</u>	<u>2,316,605</u>

Statement of funds – 2021

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds					
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)	-	-
Total Restricted Funds	-	49,782	(43,748)	(6,034)	-
Unrestricted funds					
General	2,421,771	1,527,157	(1,836,162)	6,034	2,118,800
Revaluation reserve	356,834	-	-	-	356,834
	<u>2,778,605</u>	<u>1,576,939</u>	<u>(1,879,910)</u>	<u>-</u>	<u>2,475,634</u>

13 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.

14 Analysis of net assets between funds

	Unres- tricted funds	Res- tricted funds	2022 Total	Unres- tricted funds	Res- tricted funds	2021 Total
	£	£	£	£	£	£
Fixed assets	2,648,495	-	2,648,495	2,214,277	-	2,214,277
Current assets	372,305	-	372,305	598,370	-	598,370
Current liabilities	(258,071)	-	(258,071)	(271,405)	-	(271,405)
Creditors due after more than one year	(446,124)	-	(446,124)	(65,608)	-	(65,608)
	<u>2,316,605</u>	<u>-</u>	<u>2,316,605</u>	<u>2,475,634</u>	<u>-</u>	<u>2,475,634</u>

15 Obligations under leases

Operating leases

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

	2022 £	2021 £
Operating lease which expire:		
Within one year	8,633	10,810
Within two and five years	11,237	12,828
	<u>19,870</u>	<u>23,638</u>

