

Broadway Lodge Limited
(A Charitable Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 March 2019

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



Broadway Lodge Limited
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For the Year Ended 31 March 2019

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Broadway Lodge Limited
Reference and Administrative Details
For the Year Ended 31 March 2019

Trustees and Directors

R Flack (Chair)
S Barnes (Resigned 31 December 2018)
K Burns (Resigned 28 October 2018)
Rev P Davis (Appointed 26 September 2018)
P Gay
C Jelf
C Sparks (Appointed 25 February 2019)

Chief Executive

I Middleton (Resigned 8 February 2019)
D Sweetnam (Appointed 2 September 2019)

Company Secretary

J Griffiths (Resigned 27 March 2019)

Senior Management Team

L Ali
J Griffiths
I Middleton
M Trew

Principal Office and Registered Office

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

Bankers

Svenska Handelsbanken
43-44 Martingale Way
Marine View
Office Park
Portishead
Somerset
BS20 7AW

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 2019

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 March 2019.

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 2015) – (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: 1201899

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:

S Barnes	Business Owner/ Entrepreneur	(Resigned 31 December 2018)
K Burns	Marketing director	(Resigned 28 October 2018)
P Davis	Retired Reverend	(Appointed 26 November 2018)
R Flack	Solicitor	
P Gay	Property Investor and Farmer	
C Jelf	Insurance Broker	
C Sparks	Retired Nurse	(Appointed 25 February 2019)

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 prior to the board meeting 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 adhered to.

The Financial and General Purposes Committee meets prior to the integrated governance committee with attendance from the SMT the relevant staff members. The Committee oversees the financial management and controls of the charity.

The Clinical Governance Committee meets prior to the integrated governance committee with attendance from the clinical staff the 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.

Risk Management

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

- R1 Potential reduction in the number of referrals due to austerity measures in Local Authority budgets
- R2 Reduction in the number of referrals of self-funded service users
- 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:

- There is a planned refurbishment of Broadway Lodge to improve the general environment for all service users and to better promote collaborative working amongst key members of staff.
- Better investment in staff training and a planned increase in marketing spend.
- Diversification of target customers base beyond statutory and existing referral sources. Robust targeting of private and corporate clients
- Through increased staff training we will be able to diversify our activities further – emphasis on holistic treatments, family support, consultancy provision, provision of sub-contracted services, educational and training services.
- Sound and prudent financial management.

Objectives and Activities

The Charity's objective and principal activity is the treatment of addiction and associated harms for 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 maintain the objectives and hence these remain materially unchanged since the last report.

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 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

Due to austerity and lack of local government funding for the harmful impact of alcohol and drugs we continue to receive both telephone calls and email enquiries from individuals, families and health care professionals trying to obtain charitable assistance. We endeavour to provide as much charitable assistance as is feasibly possible.

There continues to be a significant increase in the numbers of self-funded service users, either through medical insurance or other funding methods.

The Charity's treatment programmes continue to provide the opportunity for individuals to become abstinent and go on to lead fulfilling lives.

Our Schools Programme continues to operate across Avon and Somerset. Delivered by both counsellors and patients, the programme provides education to young people as part of their PHSE.

Education continues to be provided 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 deficit for the year was £124,783. This represented a significant downturn when compared to the surplus reported for the year to 31 March 2018 of £214,823. Longer term debt reduced in the year from £121,847 to £103,358. The balance sheet remains strong at 31 March 2019 and total charity funds were £2,345,122.

A major contributory factor for the deficit in the year was the need to create a bad debt provision for £155,229. This related to a single contract for an overseas customer that the Charity fulfilled but unfortunately was not paid for. The Charity engaged in a legal process to pursue this debt but were subsequently advised by its legal representative that the cost to do so could be up to £80,000 without guaranteed success. Given this information the Trustees decided to not risk further funds in the pursuit of this outstanding debt at this time.

Following a strategic review of the property portfolio in the previous period, the Charity disposed of another property during the financial year that was under-utilised.

The Charity continues to encounter ongoing pressure due to austerity measures with social funding and continues to look at diversification in regard to target markets, namely the private and corporate sectors.

Reserves policy

The charity's reserve policy is to hold two months unrestricted activities in liquid funds. This would equate to approximately £370k, in comparison to the free reserves as at 31 March 2019 of £169k. The Trustees no longer maintain an overdraft facility with the Charity's bankers, however the Trustees are looking to liquidate additional assets to reinvest in the Charity's main property and to ensure that should the need arise, any shortfall can be met.

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 and medically supervised and therapeutic residential programme.

Investment policy and objectives

The charity has the option to hold funds not required for the day to day running on short term deposits with the bankers.

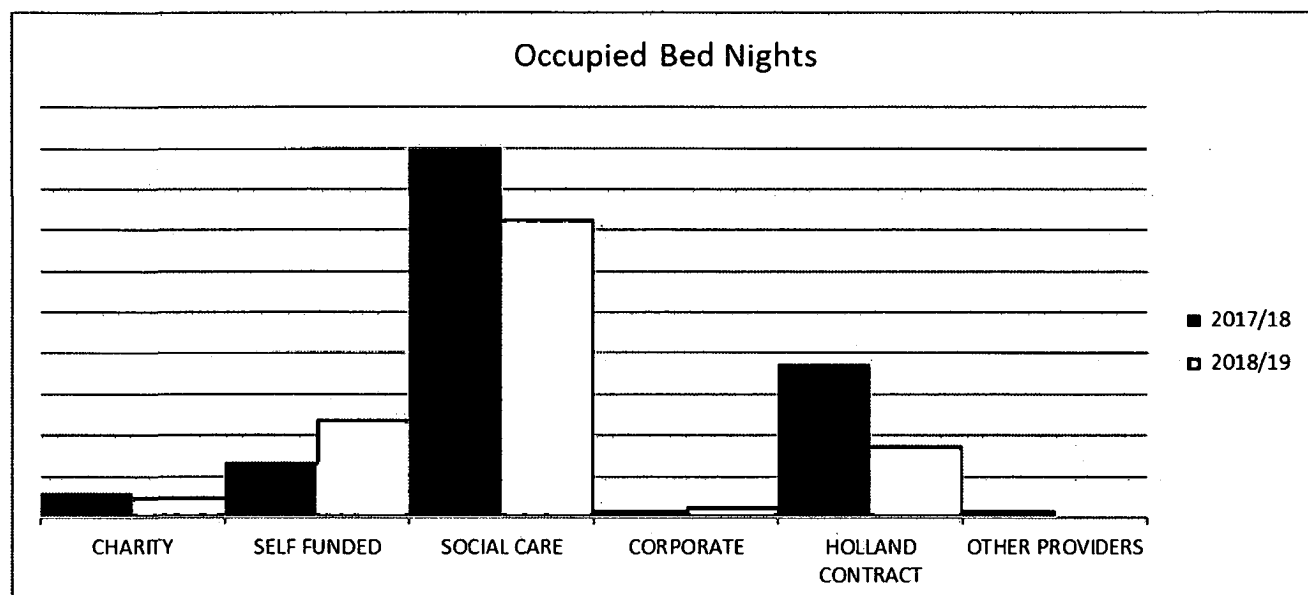
The charity balance sheet remains robust with sufficient reserves to continue to maintain current standards of care and treatment.

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. The charity does not sell nor purchase mailing lists for the purpose of raising funds. The majority of donations are received via our website. The charity does not use direct marketing, telephone campaigns, or public collections and does not employ third party agencies.

Achievements and Performance

The chart below compares the number of occupied bed nights at Broadway Lodge by funding sector.



Social care funded bed nights reduced by 19% year on year. Broadway Lodge benefited significantly this financial year in an increase of 77% more self-funded bed nights compared to the previous year from this funding sector. Unfortunately, this was not enough to fill the void created by the downturn in social care funding. As previously highlighted most of the Holland bed nights provided this financial year resulted in a bad debt provision as the contractor was unable to fulfil its obligation to pay Broadway Lodge for services provided.

The Charity continues to offer bursary placements on a charitable basis at the same level as previous years, running at 4% of the overall total of occupied bed nights in the year.

Future Developments

Broadway Lodge are currently moving swiftly forward with an exciting remodelling/refurbishment project which is planned for completion in the first half of 2020. A number of key areas of the building will undergo a complete refurbishment in order to enhance clients experience at Broadway Lodge.

Currently, these spaces are under-utilised, tired and in need of attention. Our plans will create multi-functional spaces that will ensure staff and clients can work more efficiently and the end result will create an inspiring, homely and warm environment for all clients, visitors and staff.

It is envisaged that the refurbishment of the key areas of Broadway Lodge will be completed in the first half of 2020 subject to final agreement of anticipated costs by the Trustees.

It is our intention to increase the marketing of Broadway Lodge to the private self-funding and corporate sectors once the refurbishment has been completed. This in turn will allow our charity to fund additional bursary placements to better meet our charitable purpose.

Broadway Lodge Limited
Trustee Directors' Report
For the Year Ended 31 March 2019

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 ~~12~~ 12 December 2019.



R Flack
Chair and Trustee

Broadway Lodge Limited
Statement of Trustees' Responsibilities
For the Year Ended 31 March 2019

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.

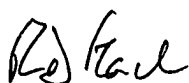
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 12/12/19... and signed on their behalf by:



R Flack
Chair and Trustee

Broadway Lodge Limited
Independent Auditor's Report to the Members
For the Year Ended 31 March 2019

Opinion

We have audited the financial statements of Broadway Lodge Limited (the 'charitable company') for the year ended 31 March 2019 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 2019

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 9, 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 2019

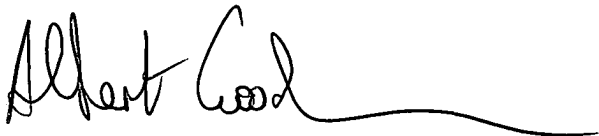
Auditor's responsibilities for the audit of the financial statements

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.

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.



Paul Hake FCCA
Senior Statutory Auditor
for and on behalf of
Albert Goodman LLP
Chartered Accountants
Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

Date: 20 December 2019

Broadway Lodge Limited**Statement of Financial Activities (including an Income and Expenditure Account)**

For the Year Ended 31 March 2019

	Notes	Unres- tricted £	Res- tricted £	Total 2019 £	Unres- tricted £	Res- tricted £	Total 2018 £
Income:							
Grants, donations and legacies	2	77,968	5,000	82,968	81,133	23,500	104,633
Interest received	3	52	-	52	-	-	-
Charitable activities	4	1,960,102	-	1,960,102	2,195,939	-	2,195,939
Gain on disposal of tangible fixed assets		127,634	-	127,634	111,545	-	111,545
Total income		2,165,756	5,000	2,170,756	2,388,617	23,500	2,412,117
Expenditure:							
Raising funds	5	358	-	358	-	-	-
Interest paid		4,605	-	4,605	9,617	-	9,617
Charitable activities	6	2,290,576	-	2,290,576	2,157,106	30,571	2,187,677
Total expenditure		2,295,539	-	2,295,539	2,166,723	30,571	2,197,294
Net income/ (expenditure) for the year		(129,783)	5,000	(124,783)	221,894	(7,071)	214,823
Transfers between funds	17	-	-	-	3,500	(3,500)	-
Losses on revaluation of fixed assets		-	-	-	-	-	-
Net movement in funds for the year		(129,783)	5,000	(124,783)	225,394	(10,571)	214,823
Reconciliation of funds							
Total funds brought forward		2,469,905	-	2,469,905	2,244,511	10,571	2,255,082
Total funds carried forward		2,340,122	5,000	2,345,122	2,469,905	-	2,469,905

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**

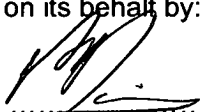
As at 31 March 2019

		2019		2018	
		£	£	£	£
	Notes				
Fixed assets					
Tangible fixed assets	10	2,383,748		2,509,480	
		<u>2,383,748</u>		<u>2,509,480</u>	
Current assets					
Debtors	11	113,268	293,826		
Cash at bank and in hand		167,827	97,829		
		<u>281,095</u>	<u>391,655</u>		
Liabilities:					
Creditors falling due within one year	12	(216,363)	(309,383)		
Net current assets		64,732		82,272	
Total assets less current liabilities		<u>2,448,480</u>		<u>2,591,752</u>	
Creditors					
Amounts falling due in more than one year	16	(103,358)		(121,847)	
Total net assets		<u>2,345,122</u>		<u>2,469,905</u>	
The funds of the charity:					
Restricted funds	17	5,000		-	
Unrestricted funds	17	1,874,288		1,956,571	
Revaluation reserve		465,834		513,334	
Total charity funds		<u>2,345,122</u>		<u>2,469,905</u>	

Approved by the Board for issue on 12/12/19 and signed on its behalf by:



 R Flack
 Chair and Trustee



 Rev P Davis
 Trustee

Broadway Lodge Limited
Statement of Cashflows
For the Year Ended 31 March 2019

		Total 2019	Total 2018
		£	£
	Notes		
Cash flows from operating activities			
Net movements in funds for the year		(124,783)	214,823
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	10	37,061	38,634
(Gain)/Loss on sale of assets		(127,634)	(111,545)
Interest paid		4,605	9,617
Interest received	3	(52)	-
Impairment of assets		-	-
		<u>(210,803)</u>	<u>151,529</u>
Working capital adjustments			
Decrease in stocks		-	-
(Increase)/decrease in debtors	11	180,558	(64,013)
Decrease in creditors	12	(93,655)	(67,177)
		<u>(123,900)</u>	<u>20,339</u>
Net cash flow from operations			
		(123,900)	20,339
Cash flows from investing activities			
Interest received	3	52	-
Receipts from sale of tangible assets		216,305	571,157
Purchase of fixed assets		-	(50,930)
		<u>216,357</u>	<u>520,227</u>
Cash flows from financing activities			
Interest paid		(4,605)	(9,617)
(Repayments)/advances of long term loans		(17,854)	(436,151)
		<u>(22,459)</u>	<u>(445,768)</u>
Net increase/(decrease) in cash and cash equivalents		<u>69,998</u>	<u>94,798</u>
Cash and cash equivalents at the beginning of the reporting period		<u>97,829</u>	<u>3,031</u>
Cash and cash equivalents at the end of the reporting period		<u>167,827</u>	<u>97,829</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 2015), 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 financial statements have been prepared on a going concern basis. The charity maintains considerable assets and reserves. 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 has financial assets and liabilities that qualify as basic financial instruments. The assets and liabilities include cash, debtors and creditors which have separate accounting policies above. A further financial instrument relates to bank loans which are initially recognised at transaction value and subsequently measured at amortised cost using effective interest method. Interest payable on bank loans are charged through the profit and loss account as interest payable.

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.

Broadway Lodge Limited
Notes to the Financial Statements
For the Year Ended 31 March 2019

2 Grants, donations and legacies

	Unres- tricted funds £	Res- tricted funds £	2019 Total £	Unres- tricted funds £	Res- tricted funds £	2018 Total £
Donations and legacies	15,968	5,000	20,968	24,039	23,500	47,539
Grants	62,000	-	62,000	57,094	-	57,094
	<u>77,968</u>	<u>5,000</u>	<u>82,968</u>	<u>81,133</u>	<u>23,500</u>	<u>104,633</u>

3 Interest receivable

	Unres- tricted funds £	Res- tricted funds £	2019 Total £	Unres- tricted funds £	Res- tricted funds £	2018 Total £
Bank interest	<u>52</u>	<u>-</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>

4 Income from charitable activities

	Unres- tricted funds £	Res- tricted funds £	2019 Total £	Unres- tricted funds £	Res- tricted funds £	2018 Total £
Detoxification and residential services	1,946,343	-	1,946,343	2,183,953	-	2,183,953
Fundraising activities	633	-	633	127	-	127
Sundry income	13,126	-	13,126	11,859	-	11,859
	<u>1,960,102</u>	<u>-</u>	<u>1,960,102</u>	<u>2,195,939</u>	<u>-</u>	<u>2,195,939</u>

5 Expenditure from fundraising activities

	Unres- tricted £	Res- tricted £	2019 Total £	Unres- tricted £	Res- tricted £	2018 Total £
Marketing costs	358	-	358	-	-	-
	<u>358</u>	<u>-</u>	<u>358</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 Expenditure from charitable activities

	Unres- tricted £	Res- tricted £	2019 Total £	Unres- tricted £	Res- tricted £	2018 Total £
Staff costs	1,634,022	-	1,634,022	1,615,593	23,511	1,639,104
Household and maintenance	245,408	-	245,408	243,092	3,585	246,677
Medical consumables	17,407	-	17,407	31,338	462	31,800
Patient and programme	15,483	-	15,483	17,088	568	17,656
Administration costs	16,265	-	16,265	22,588	333	22,921
Marketing costs	29,145	-	29,145	68,499	-	68,499
Legal and professional	122,609	-	122,609	105,198	1,551	106,749
Bad debts	155,229	-	155,229	-	-	-
Depreciation and amortisation	37,061	-	37,061	38,073	561	38,634
Finance charges	11,867	-	11,867	10,117	-	10,117
Audit fee	5,360	-	5,360	5,520	-	5,520
Accountancy	720	-	720	-	-	-
	<u>2,290,576</u>	<u>-</u>	<u>2,290,576</u>	<u>2,157,106</u>	<u>30,571</u>	<u>2,187,677</u>

7 Wages and salaries

	2019	2018
	£	£
Wages and salaries	1,381,906	1,342,164
Social security costs	107,243	101,739
Other pension costs	97,990	84,580
Other staff costs	46,883	110,621
	<u>1,634,022</u>	<u>1,639,104</u>

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

	2019 number	2018 number
£70,000 - £79,999	<u>1</u>	<u>-</u>

Number of employees

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

	2019	2018
Doctors	2	3
Nurses	24	28
Counsellors	12	11
Support workers	4	4
Administration	13	14
Domestic and catering	11	11
	<u>66</u>	<u>71</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 £274,652 (2018: £312,387).

During the year redundancy costs totalling £26,943, were paid to two employees (2018: £20,000 to one employee). Redundancy costs are recognised when notice of redundancy is given. There are no outstanding redundancy costs at the year end.

8 Trustee directors

The charity trustees were not paid and did not receive any other benefits as trustees of the charity in the year (2018: £nil). One Trustee was reimbursed expenses of £211 (2018: £324) during the year. No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

There were no other related party transactions in the year (2018: none).

9 Net income for the year before transfers

	2019 £	2018 £
This is stated after charging:		
Depreciation and amortisation	37,061	38,634
Gain on disposal of tangible fixed assets	(127,634)	(111,545)
Operating leases	8,922	71,801
Auditors remuneration		
Audit services	4,800	4,800
Other services: accounting	1,280	720
	<hr/>	<hr/>

10 Tangible assets

	Freehold Property £	Fixtures, Fittings and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 April 2018	2,412,138	1,152,747	21,978	3,586,863
Additions	-	-	-	-
Disposals	(88,000)	(98,278)	-	(186,278)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	2,324,138	1,054,469	21,978	3,400,585
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2018	-	1,075,685	1,698	1,077,383
Charge for the year	-	32,665	4,396	37,061
Eliminated on disposals	-	(97,607)	-	(97,607)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	-	1,010,743	6,094	1,016,837
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2019	2,324,138	43,726	15,884	2,383,748
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2018	2,412,138	77,062	20,280	2,509,480
	<hr/>	<hr/>	<hr/>	<hr/>

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.

10 Tangible assets (cont'd)

Historical cost of previously revalued freehold property

Cost	£
At 1 April 2018	2,521,581
Disposals	(40,500)
	<hr/>
At 31 March 2019	2,481,081
	<hr/>
Depreciation	
As at 1 April 2018 at 31 March 2019	-
	<hr/>
Net book value	
As at 31 March 2019	2,481,081
	<hr/>
As at 31 March 2018	2,521,581
	<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.

11 Debtors

	2019	2018
	£	£
Trade debtors	49,731	211,159
Prepayments and accrued income	63,537	82,667
	<hr/>	<hr/>
	113,268	293,826
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	29,242	41,358
Accruals and deferred income	159,214	228,736
Other creditors	9,418	21,435
Bank loans	18,489	17,854
	<hr/>	<hr/>
	216,363	309,383
	<hr/>	<hr/>

13 Deferred income

	2019 £	2018 £
Balance as at 1 April 2018	109,958	103,917
Amount released to income for charitable activities	(109,958)	(61,415)
Amount deferred in year	83,213	67,456
	<hr/>	<hr/>
Balance at 31 March 2019	83,213	109,958
	<hr/>	<hr/>

14 Creditors: amounts falling due in more than one year

	2019 £	2018 £
Bank loans due < 5 years	99,258	95,849
Bank loans due > 5 years	22,589	43,852
	<hr/>	<hr/>
	121,847	139,701
Less included in current liabilities	(18,489)	(17,854)
	<hr/>	<hr/>
	103,358	121,847
	<hr/>	<hr/>

The bank loans due in more than 5 years are repayable over a 15 year term, ending in 2024 - 2025. Interest on these loans is variable at base rate + 1.75-2.00%, with a minimum rate of 3.5%.

All borrowings of £121,847 at the year end (2018: £139,701) are secured by way of fixed legal charges over some of the properties of Broadway Lodge in favour of one banking institution.

15 Statement of funds – 2019

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds					
Dr A Sharp - bursary beds	-	5,000	-	-	5,000
Total Restricted Funds	-	5,000	-	-	5,000
Unrestricted funds					
General	1,956,571	2,165,756	(2,295,539)	47,500	1,874,288
Revaluation reserve	513,334	-	-	(47,500)	465,834
	<u>2,469,905</u>	<u>2,170,756</u>	<u>(2,295,539)</u>	<u>-</u>	<u>2,345,122</u>

Statement of funds – 2018

	Opening balance £	Incoming resources £	Resources expended £	Transfers £	Closing balance £
Restricted funds					
Police Community Trust	1,000	-	(1,000)	-	-
Computer game addiction	1,000	-	(1,000)	-	-
Donations - Whiteboard	-	3,500	-	(3,500)	-
Martin Geddes charitable trust	-	20,000	(20,000)	-	-
Amy Winehouse - Young people treatment	8,571	-	(8,571)	-	-
Total Restricted Funds	<u>10,571</u>	<u>23,500</u>	<u>(30,571)</u>	<u>(3,500)</u>	<u>-</u>
Unrestricted funds					
General	1,707,177	2,388,617	(2,166,723)	27,500	1,956,571
Revaluation reserve	537,334	-	-	(24,000)	513,334
	<u>2,255,082</u>	<u>2,412,117</u>	<u>(2,197,294)</u>	<u>-</u>	<u>2,469,905</u>

15 Statement of funds (cont'd)

- Police Community Trust provided for a young people education programme, including visits to local schools, and literature.
- Private donations were provided for the production of computer game addiction literature for education purposes.
- Donation received for the purchase of a white board during the year.
- Monies received from the Martin Geddes charitable trust were for the provision of bursary beds and was spent in the year.
- A grant was received from the Amy Winehouse Foundation for the purpose of providing seven young adults between 18-30 years old drug/alcohol detox and eight week residential rehabilitation treatment placements.
- 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.

16 Analysis of net assets between funds

	Unres- tricted funds £	Res- tricted funds £	2019 Total £	Unres- tricted funds £	Res- tricted funds £	2018 Total £
Fixed assets	2,383,748	-	2,383,748	2,509,480	-	2,509,480
Current assets	276,095	5,000	281,095	391,655	-	391,655
Current liabilities	(216,363)	-	(216,363)	(309,383)	-	(309,383)
Creditors due after more than one year	(103,358)	-	(103,358)	(121,847)	-	(121,847)
	<u>2,340,122</u>	<u>5,000</u>	<u>2,345,122</u>	<u>2,469,905</u>	<u>-</u>	<u>2,469,905</u>

17 Obligations under leases

Operating leases

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

	2019	2018
	£	£
Operating lease which expire:		
Within one year	7,890	10,706
Within two and five years	22,354	30,243
	<u>30,244</u>	<u>40,949</u>

18 Events after the balance sheet date

After the balance sheet date, the charity disposed of three freehold properties held at a value of £246,000. The total consideration for the sales is £625,000, with none being sold at a value below cost.