

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2019



Charity No: 229663

Company No: 00579091

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

REPORT AND ACCOUNTS

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THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

DIRECTORS' AND TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31ST MARCH 2019

The trustees, who are also directors for the purposes for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name:	The Bobath Centre for Children with Cerebral Palsy	
Charity Number:	229663	
Company Number:	00579091	
Principal and Registered Office:	Tandy House, Regal Way, Watford, WD24 4YE	
Trustees:	Ann Tinklepaugh – Chair	(appointed 17 April 2019)
	Henry Collier	
	Niki Michael	
	Frances Ridgway	(appointed 8 May 2019)
	Timothy Blanc	(appointed 16 July 2019)
	Nicole Coogan	(appointed 16 July 2019)
	Robert Walder	(appointed 16 July 2019)
	Stephen Latner	(resigned 11 December 2018)
	Michael Stalbow	(resigned 5 March 2019)
	Stuart Soloway	(resigned 4 April 2019)
	Dr Judith Meeks	(resigned 9 April 2019)
	Peter Cooke	(resigned 30 June 2019)
	Dympna McCoy	(30 March – 30 April 2019)
Senior Management Team:	Christine Barber – Director of Clinical Services (until 9 July 2019)	
	Madeleine Cassidy – Chief Executive Officer (from 1 September 2019)	
	Claire Mayne Constantinou – Chief Operating Officer (until 22 March 2019)	
Auditors:	Carston, Chartered Accountants & Statutory Auditor First Floor, Tudor House. 16 Cathedral Road, Cardiff, CF11 9LJ	
Bankers:	Barclays Bank plc, 53, Bedford Row, Leicestershire, LE87 2BB	

OBJECTIVES AND ACTIVITIES

Our objectives are:

- To provide treatment for Children and Adults suffering from Cerebral Palsy ("CP") and related neurological conditions.
- To provide training and training facilities for Physiotherapists, Occupational Therapists and Speech Therapists who wish to specialise in CP and related neurological conditions.
- To undertake research into the early recognition, effects and treatment of CP

Charitable Activities

To meet its charitable objectives, the Centre operates in three distinctive areas; treatment, education and research by:

- Maintaining and further developing high quality Bobath therapy services for children, regardless of the severity or complexity of their condition, to improve their activity, independence and participation in everyday situations
- Focusing on the health and wellbeing, and therefore the quality of life of the child and their families

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DIRECTORS' AND TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31ST MARCH 2019

- Disseminating the Bobath Concept as widely as possible through providing specialist Bobath training programmes
- Organising courses promoting good practice in the treatment and management of CP, for therapists and other people working with children with CP
- Undertaking and promoting research into clinical effectiveness of treatment and publishing the outcomes and
- Promoting awareness of issues affecting children with CP and their families.

Public Benefit

The Trustees have taken the Charity Commission's general guidance on public benefit into consideration when furthering the charity's activities.

In accordance with the Centre's charitable objectives as outlined above, the beneficiaries are children and young people with CP and allied neurological conditions and their families through the provision of treatment, education and research.

Trustees' assessment of public benefit

During the financial year, the Centre continued to benefit the public by:

- Providing highly specialised and intensive treatment to children and young people with CP
- Empowering families to maximise their child's participation in everyday family, social and educational situations
- Running an Early Intervention Scheme ("EIS") for infants up to the age of 18 months is free and is fully funded through project fundraising
- Subsidising the Helping Hand scheme which provides regular blocks of therapy at a 45% discount for children from anywhere
- Liaising closely with the child's local therapy team who frequently attend sessions during an intensive block of treatment. These sessions are viewed as an opportunity for continued professional development by community therapists
- Training therapists, doctors and other people working with children with CP and their families both from the UK and overseas, and
- Contributing to professional knowledge and researching ways of measuring efficacy of treatment in children with more severe presentations of CP.

The fees charged for our treatment and training activities do not cover the cost of their delivery and are subsidised through fundraising income and reserve funds.

ACHIEVEMENTS AND PERFORMANCE

The year in question was a significant one for the charity. In order to stem mounting deficits we conducted a staff restructure with a view to focusing our resources on the therapy team and several administrative and financial roles were redesigned to operate more efficiently, allowing us to reduce staffing numbers. As shown by Note 14 to the accounts, treatment staffing actually rose from 5 to 7 in the year while support staff numbers fell from 8 to 3.

Total staff numbers fell by 50% from 18 to 12 and restructuring costs amounting to £692,374 (2018: £Nil) were incurred, of which over 80% of the total was redundancy for staff on NHS terms of severance.

As at 1 April the board comprised 8 trustees. During the year 2 resigned followed by a further 3 following the year end. Also following the year end 4 trustees were appointed. We are grateful to those trustees who served with us, often over many years, and who helped steer the charity through unprecedented upheaval over recent years.

During the year we also relocated to our new offices in Watford, moving in shortly before the year end. In addition to a Training room which provides space for tutors, patients and up to 24 students, we now have 4 large and dedicated treatment rooms and meeting and office space. The building has been fitted out to be completely disability compliant and we have also a considerable amount of storage space which is available to be developed to further the charitable objects of the charity.

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DIRECTORS' AND TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31ST MARCH 2019

Treatment: Children and Adults

During the year we provided 2,036 sessions of treatment to children and 676 hours of treatment to adults including significant numbers of sessions of early intervention for young children and babies. Of the children's' treatment, AA hours were provided free of charge and 320 hours were subsidized by donations from a range of supporters including a £10,000 grant provided by The Tobacco Pipe Makers and Tobacco Trade Benevolent Fund, repeating their generous donation of the previous year. Subsidised treatment was provided at a discount of 45% from the full cost.

The cost of providing free and subsidised treatment exceeded the donations given for this purpose by a factor of 4 and we will be devoting effort to fundraising to cover the costs incurred during the financial year 2019-20.

Training

During the year we laid on 12 courses for practitioners from the NHS, private practices and other bodies for:

- Early Assessment and Intervention
- Childhood Hemiplegia
- Foundation, Introductory and Introduction to the Bobath concept courses
- Therapy Assistants
- Quality FM Outcome Measures
- Challenge Outcome Measures
- Advanced Upper Limb treatment

A total of 70 days training was provided to 182 therapists and other professionals.

Research

Research commenced in the year included a study into strengthening the evidence base for new and existing practices and also improving the evidence base for the treatment escalation framework used in therapy planning.

Fundraising

During a year of significant change Fundraising was not prioritized and was under resourced but essential strategic work was undertaken to establish a firm funding foundation for the Charity. Plans have focussed on embracing a shift in culture, opening up our work and establishing an ambitious diversification plan for new income streams, improving our links with supporters and developing relationships with our new community in Watford. We are sourcing a new Customer Relationship Management ("CRM") system and we have also begun the process of redeveloping and upgrading the Charity's website to enhance the user experience and reduce administrative staff time by adopting new enabling technologies.

FINANCIAL REVIEW

The year has been a challenging one for the charity with a deficit being made in the year of £1,250,881 (2018: £482,786) against income for all sources of £1,482,419 (2018: £1,457,406). Included in the 2019 deficit is a deficit on the sale of the former freehold premises at 250 East End Road, East Finchley of £5,378.

The principal cause of this deficit was restructuring costs, of which the principal element was redundancy costs. During the year 14 members of staff were made redundant at a cost of £572,696. This and other restructuring costs amounting to £119,678 are outlined in Note 11 to the accounts. Of the 14 members of staff made redundant, 8 were classed as higher earners and total emoluments including redundancy in bands are shown at Note 14.

Fortunately, the charity has a significant residual balance of cash held in bank current and deposit accounts resulting from the freehold sale: £2,524,181 at 31 March 2019 (2018: £539,473). However, the aim is to return to profitability and a programme of cost cutting has continued into 2019-20, with the rationale behind every significant purchase and contract being questioned.

Income from the core activities of treatment and training fell every year from 2013-14 until 2017-18 but in 2018-19 rose slightly. Trustees believe that with new management and trustee leadership in place there is eminent scope to tailor our strategy and activities to achieving the goal of returning the charity to an operating surplus within 18 months.

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DIRECTORS' AND TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31ST MARCH 2019

Principal Funding Sources

The principal source of income is treatment fees, a significant element of which was provided at either a 45% discount from the full cost or free. Training courses which are the second principal source of income are popular in particular with NHS and other health professionals, including those from overseas. In 2018-19 the third main source of income was fundraising. Donations also followed the trend in the year under review of increasing slightly after four years of successive reductions.

Investment powers and policy

As of 31 March 2019, the investment policy of the Charity was to hold surplus funds with banks for a period of 3 months or more. The trustees are currently reviewing this policy with 3 main aims:

- Reducing risk by diversifying in order to minimize any impact of the Financial Services Compensation Scheme being triggered during a period of financial turbulence.
- Increasing return on surplus funds while keeping risk to minimal levels, for example by having a range of deposit periods in operation at any one time.
- Ensuring that sufficient funds are available at short notice to cover both expected working capital requirements as well as unexpected variations in income and expenditure.

Reserves policy

As of 31 March 2019, total reserves totalled £2,929,632 of which £18,097 was restricted. Total unrestricted funds of £2,911,535 included £186,000 designated by the trustees. Free reserves were £2,030,613 at the year-end.

Restricted reserves have historically been made up of donations towards the provision of free or subsidised treatment and training, and also for the provision of specialist equipment and for research projects. Free treatment is made available for very young children and babies and underpins the Bobath philosophy that early intervention is essential to maximise the effectiveness of later treatments. Subsidised training is made available to practitioners from poorer countries. During the year the amount of free and subsidized treatment well exceeded the available funds at the start of the year and the restricted donations made during the year, meaning that by the year end the totality of this fund had been utilized. Fundraising in order to re-establish this fund is a key priority for the coming year.

Designated funds at 31 March 2019 comprised a Redundancy Reserve calculating the total cost of redundancy for all Bobath England staff at a theoretical date 1 year from the Balance Sheet date. The purpose of this reserve is to set aside the largest single cost to the Charity in the event that closure is forced upon it at some date in the future.

Funds also include a "negative" reserve to offset the liability shown in Creditors for the Pensions Shortfall arising on the annual revaluation of the TPT Pension Fund (which is treated as a defined benefit scheme for which individual employers may incur liability in the event of leaving the scheme or winding up).

As of 31 March 2019, the policy of the Charity was to hold reserves that had not been otherwise restricted or designated at an average level of about 3 months operating expenditure. Again, the trustees are reviewing this policy in the light of current bank and deposit account holdings.

FUTURE PLANS AND DEVELOPMENTS

The Trustees and executive team have agreed the following aims and objectives for the future:

Treatment, Training and Research:

1. To review, identify and implement an electronic patient record system.
2. Produce evidence of outcomes, case studies and a support portfolio to reinforce the importance of the Bobath method.
3. Establish a business relationship with the NHS.
4. Undertake a survey of clients / parents to establish their views on services received, opening hours, fees etc.
5. Undertake a survey of stakeholders with a view to offering therapy services for other conditions such as Down's Syndrome and degenerative disorders.
6. Start treatment packages for Selective Dorsal Rhizotomy and functional strength training.
7. Start an ongoing audit of clinical services and ensure compliance with CQC standards.
8. Review the Early Intervention package.

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DIRECTORS' AND TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31ST MARCH 2019

9. To establish a robust outcomes measurement system for all packages.
10. To consider converting the warehouse into a neurotherapy gym or additional office space, subject to successful fundraising.
11. Implement a professional bookings system.

Finance and Administration:

1. In June 2019 a part-time finance director was recruited whose role includes a review and overhaul of all finance-related systems. This started with a reconfiguration of the accounting system to make it fit for purpose.
2. An experienced and qualified bookkeeper has been brought in to take over the running of the day to day processing and this individual is being assisted by an interim bookkeeper who is addressing gaps in documentation during the current year.
3. An experienced Operations Manager has been recruited in April 2019 to deal with making improvements to the operational processes, including improving administration systems for treatment and training courses, contract management and team-working between the administration and therapy teams.
4. From June 2019 an extensive exercise was undertaken to review the clients' accounts and aged debtors' list, to identify errors and omissions in our bookkeeping practices.
5. We are currently recruiting (at the date of signing these accounts) a Business Manager role whose job it will be to ensure prompt and professional handling of all interactions with potential clients / carers from the point of first contact through to the passage of data to the bookkeeper to raise invoices.
6. A CRM system is being specified and sourced and all queries will have a unique reference which will follow each case through the documentation pathway from first query to completion of treatment or training.
7. The system for booking training course places has been overhauled so that attendance at a course is only possible following payment or, in the case of attendees from public sector organisations, the receipt of a purchase order.
8. The website is being upgraded to include patient bookings and payment.
9. The accounting policy for recognition of income is being adjusted so that payment is taken to deferred income and only transferred to income on receipt of training or treatment. This account will be formally reviewed weekly.
10. The aged debt report will also be reviewed weekly and invoices checked to ensure they have the correct references including CRM reference and (where applicable) PO number. The aged debt report will be monitored weekly and checked against treatment schedules to ensure that all planned treatments for the following week have been paid or need to be chased accordingly.

Following the year end, agreement was reached to terminate the distinction between the adult's and children's charities and, as of 30 September 2019, treatment for adults was undertaken directly from the children's company. A new Charitable Incorporated Organisation "CIO" is being set up and the objects clause of this CIO will specifically include people of all ages who have CP and related neurological disorders.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Bobath Centre for Children is a registered charity and a company limited by guarantee. It was incorporated in 1957 and its governing documents are the memorandum and articles of association signed in that year. It became a registered charity in the following year.

Appointment of Trustees

Trustees are selected from those who volunteer their services. Anyone may volunteer. In determining who to appoint Trustees have regard to the qualifications and experience of both potential Trustees but also the skill-mix and possible gaps amongst the existing Trustee Board. Trustees are appointed following a majority vote to appoint at a Trustee meeting.

All Trustees give their time voluntarily and receive no benefit from the Charity. In both 2018 and 2019 no expenses were claimed by Trustees from the Charity.

This has been a period of significant change for the charity, as all but two of the trustees in place at the start of the year have since resigned and five new trustees have been appointed. Also, within the charity, the staff restructuring has meant that many of the senior management have been made redundant.

Trustee induction and training

New Trustees undergo an induction programme. All trustees are notified of relevant workshops, training days and seminars concerning issues relevant to good governance and best practice in the charitable sector.

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DIRECTORS' AND TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31ST MARCH 2019

Organisation

The board of Trustees administers the Charity by means of Board Meetings which are convened bi-monthly. The Trustees are also Directors of the Company for Companies Act purposes. Board members are appointed by the Annual General Meeting. The Board is responsible for the strategic direction of the Charity and for policy decisions. In addition to maintaining an overview of the organisation's activities, the Board also controls HR Policies and appointments and makes all decisions involving major investment or expenditure.

A Chief Executive is appointed by the Board to manage the day to day running of the Charity. The Chief Executive has delegated authority for operational matters and for expenditure within the agreed annual budget and is responsible for the delivery of services to people supported by the organisation.

Related parties

Related parties include The Bobath Centre for Adults, The Bobath Centre Scotland, The Bobath Centre Wales and, until 22 March 2019, Thames Information Systems Limited ("TISL"). The nature of these relationships and the values of transactions involved are set out in Note 25 to the accounts.

Pay policy for senior staff

The pay policy for senior staff is set by the trustees. Historically the Charity attempted to reflect annual pay and benefit awards for senior staff in accordance with the NHS's Agenda for Change ("AfC") Terms & Conditions of employment so as to be able to recruit senior professional staff on the basis of a level playing field. The Chief Executive and other Support Staff are recruited and rewarded on the basis of perceived market values for the roles undertaken.

Internal Control

The Trustees have overall responsibility for ensuring the Charity has appropriate systems of internal control across the entire organisation. Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. They are also responsible for safeguarding assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Internal controls implemented by the Trustees include:

- The production of a strategic plan and an annual budget approved by the trustees.
- Regular consideration by Trustees of financial results, variances from budgets and forecasts.
- Delegation of authority and segregation of duties.
- Identification and management of risk.

Risk Management

The trustees maintain a risk register which is reviewed regularly for any changes in risk profile or for new or discontinued risks to which the charity is exposed. Mitigation measures are agreed where necessary for action by the Chief Executive Officer and her staff.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

DIRECTORS' AND TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31ST MARCH 2019

DIRECTORS' / TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of The Bobath Centre for Children with Cerebral Palsy for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the 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 auditor is 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 auditor is 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.

AUDITORS

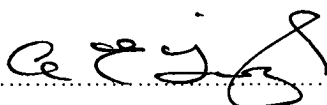
A resolution was proposed and agreed at the Annual General Meeting that Carston be re-appointed as auditors of the Charity for the ensuing period.

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

APPROVAL

This report was approved by the Board of Trustees on 30th January 2020 and signed on its behalf:

Signed:



Print:

A. E. Tinkler

Signed:



Print:

R. W. WALDER

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

Qualified Opinion

We have audited the financial statements of The Bobath Centre for Children with Cerebral Palsy (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, 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 loss 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 qualified opinion

With regard to training and treatment income (income from charitable activities) the audit evidence available to us was limited. We were unable to establish, from the limited documentation available, whether all income from these sources has been appropriately accounted for in the financial statements. It is not practicable to quantify the financial effects, if any.

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 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 qualified opinion.

Emphasis of matter

We draw your attention to note 16 of the financial statements, which details the disposal of the freehold property. At the time of signing the audit report we are still waiting for further audit evidence in relation to the settlement of the loans and interest charges. Our opinion is not modified in respect of this matter.

The financial statements of The Bobath Centre for Children with Cerebral Palsy for the year ended 31 March 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 13 November 2018. These financial statements included the initial deposit and loans.

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 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 annual 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so,

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the income from charitable activities for the year ended 31 March 2019. We have concluded that where the other information refers to the income or related balances it may be misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible side effect of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees annual report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees annual report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, 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 trustees annual report (incorporating the directors' report).

Arising solely from the limitation of scope of our work relating to income from charitable activities, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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 directors' remuneration specified by law are not made; 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors 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 directors 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 company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 company's members 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, for our audit work, for this report, or for the opinions we have formed.



Farzana Ahmed (Senior Statutory Auditor)
For and on behalf of Carston
Chartered Accountants & Statutory Auditor

1st Floor, Tudor House
16 Cathedral Road
Cardiff
CF11 9LJ

Date: 31 January 2020

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 (Restated) £
Income					
Donations and Legacies	4	115,154	22,872	138,026	119,410
Income from Charitable Activities	5	417,047	-	417,047	406,563
Income from Other Activities	6	924,886	-	924,886	929,882
Investment Income	7	2,460	-	2,460	1,551
Total Income		1,459,547	22,872	1,482,419	1,457,406
Expenditure					
Cost of Raising Funds	8	269,873	-	269,873	118,689
Expenditure on Charitable Activities	8	1,464,090	88,273	1,552,363	917,265
Other Expenditure	10	911,064	-	911,064	904,238
Total Expenditure		2,645,027	88,273	2,733,300	1,940,192
Net Expenditure		(1,185,480)	(65,401)	(1,250,881)	(482,786)
Transfers between Funds		(30,633)	30,633	-	-
Net Movement in Funds		(1,216,113)	(34,768)	(1,250,881)	(482,786)
Total Funds brought forward		4,127,648	52,865	4,180,513	4,663,299
Total Funds carried forward		2,911,535	18,097	2,929,632	4,180,513

CONTINUING OPERATIONS

None of the Charity's activities were acquired or discontinued during the above financial period.

TOTAL RECOGNISED GAINS AND LOSSES

The Charity has no recognised gains or losses other than the above movement in funds for the above financial period.

The notes on pages 14 to 28 form part of these accounts.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

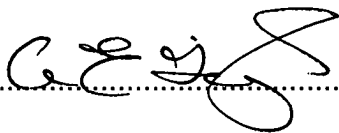
BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Fixed Assets			
Tangible Fixed Assets	16	729,720	4,341,589
Current Assets			
Stock	17	-	2,705
Debtors	18	44,369	276,775
Cash at Bank and in Hand		2,524,181	539,473
		2,568,550	818,953
Liabilities			
Creditors: due within one year	19	345,083	900,948
Net Current Assets		2,223,467	(81,995)
Total Assets less Current Liabilities		2,953,187	4,259,594
Defined Benefit Pension Scheme Liability	20	(23,555)	(79,081)
Net Assets		<u>2,929,632</u>	<u>4,180,513</u>
The Funds of the Charity			
Restricted	21	18,097	52,865
Unrestricted funds	21		
Designated funds		186,000	46,370
General funds		2,760,333	1,427,844
Revaluation Reserve		-	2,744,174
Pension Reserve		(34,798)	(90,740)
Total Unrestricted		2,911,535	4,127,648
Total Charity Funds	22	<u>2,929,632</u>	<u>4,180,513</u>

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

These accounts were approved by the Board of Trustees on 30 January 2020 and were signed on its behalf by:



Ann Tinklepaugh – Chair



Robert Walder – Trustee

Company No: 00579091

The notes on pages 14 to 28 form part of these accounts.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities:		
Cash generated from operations	(1,620,863)	(580,148)
Cash flows from investing activities:		
Purchase of Tangible Fixed Assets	(733,558)	-
Bank Interest	(2,460)	1,551
Fixed Asset Depreciation Eliminated on Disposal	(9,100)	
Disposal of Fixed Assets	4,350,689	500,000
Net cash provided by (used in) investing activities	3,605,571	501,551
Cash flows from financing Activities		
Cash Inflows from New Borrowing	-	250,000
Change in Cash & Cash Equivalents in the period	1,984,708	171,403
Increase / Decrease in Cash & Cash Equivalents		
Cash & Cash Equivalents at the start of the period	539,473	368,070
Cash & Cash Equivalents at the end of the period	2,524,181	539,473
Increase / (Decrease)	1,984,708	171,403
Reconciliation of Net Income / (Expenditure) to Net Cashflow from Operating Activities		
	2019 £	2018 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(1,250,881)	(482,786)
Adjustments for:		
Interest received	2,460	(1,551)
Depreciation	3,838	-
(Increase)/Decrease in Stock	2,705	-
(Increase)/Decrease in debtors	232,406	(133,014)
Increase/(Decrease) in creditors	(611,391)	37,203
Net cash provided by / (used in) operating activities	(1,620,863)	(580,148)

The notes on pages 14 to 28 form part of these accounts.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST AUGUST 2018

1. GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Bobath Centre, Tandy House, Regal Way, Watford WD24 4YE.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006, as well as applicable charity and company law.

3. ACCOUNTING POLICIES

3.1 Basis of preparation of accounts

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial liabilities and the freehold property measured at fair value through income and expenditure. Items are recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts have been rounded to the nearest £.

The Bobath Centre for Children with Cerebral Palsy meets the definition of a public benefit entity under FRS 102.

3.2 Preparation of accounts on a going concern basis

The Charity's Financial Statements show a net deficit of £1,250,881 for the period and free reserves of £2,030,613. The trustees are of the view that these results have secured the future of the Charity for the next 12 to 18 months and on this basis the Charity is a going concern.

3.3 Change in accounting policy

The Bobath Centre for Children with Cerebral Palsy employs the staff for itself, The Bobath Centre for Adults with Neurological Disability, Bobath Children's Therapy Centre Wales and Bobath Scotland. Historically the cost (expenditure) and recharges (income) have been netted off in the financial statements. This year the accounts were restated to reflect the total cost in expenditure, along with recognising the recharges to the other centres as income from other activities. The comparative financial statements were restated on the same basis. See note 6 for further details.

There is no change to the net expenditure for the year-ended 31 March 2018, nor the financial position at that date.

3.4 Income recognition

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- (a) Income received by way of grants, donations and legacies are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- (b) Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (c) Grants and donations of a general nature which are not conditional on delivering certain levels of service are included as part of Grants, Donations and Legacies as shown under note 4. Performance related grants and donations which have conditions for a specific outcome are included as Income from Charitable Activities as shown in Note 5.
- (d) Investment income is included when receivable.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

3.5 Expenditure recognition and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

- (a) Cost of raising funds comprises the cost of seeking donations and legacies by holding fundraising events, creating marketing materials and maintaining a website and social media presence to ensure our supporters are kept abreast of our work, and other fundraising activities and their associated support costs.
- (b) Expenditure on charitable activities includes the costs directly associated with furthering the purposes of the Charity and associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

3.6 Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 9.

3.7 Pension Costs

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. The pension costs charge (note 15) represents contributions payable by the charity to the funds. Contributions totalling £16,967 (2018 - £11,613) were payable to the fund at the year end and are included in creditors.

3.8 Funds structure

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Charity at the discretion of the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor-imposed conditions.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

3.9 Tangible fixed assets and depreciation

Tangible fixed assets (excluding investments) are stated at cost less depreciation. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities. The cost of minor additions or those costing less than £1,000 are not capitalised.

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

Leasehold Improvements	--	Over the life of the Lease
Computer Equipment	--	33% per annum on cost
Office Fixtures & Equipment	--	25% per annum on cost

3.10 Debtors

Trade and other debtors 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.

3.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term cash deposits.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

3.12 Creditors and provisions including redundancy / termination payments

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3.13 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3.14 Operating Leases

Rentals payable under operating leases are charged to the SOFA as due over the life of the lease.

3.15 Taxation

The Charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

3.16 Judgement and key sources of estimation uncertainty

In the application of the company's accounting policies, the Charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4. Donations & Legacies	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Events	87,038	-	87,038	52,999
General Donations	28,116	-	28,116	41,673
Treatment Donations	-	18,897	18,897	18,365
Equipment Donations	-	3,975	3,975	6,373
	115,154	22,872	138,026	119,410

Of the £119,410 of Donations & Legacies income in 2018, £94,672 was attributable to unrestricted funds and £23,738 was attributable to restricted.

5. Income from Charitable Activities	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Treatment	219,688	-	219,688	214,311
Training	197,359	-	197,359	192,252
	417,047	-	417,047	406,563

All Charitable Activity income in 2018 was attributable to unrestricted funds.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

6. Other Income	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018 (Restated)
	£	£	£	£
Staff Costs Adults, Scotland & Wales	911,064	-	911,064	904,238
Miscellaneous Income	13,822	-	13,822	25,644
	924,886	-	924,886	929,882

Bobath UK comprises 3 separate centres, Bobath England, Bobath Scotland and Bobath Wales. There is also a separate company, The Bobath Centre for Adults, which works from the same premises as Bobath England. Although these organisations are separate legal entities the contracts of employment of the training and treatment staff in Scotland, Wales and the Adult Centre have traditionally been employed under contracts directly with Bobath England. All Scotland, Wales and Adults staff costs are reimbursed leaving a net £Nil cost to Bobath England of the cost of employing these staff. The cost of employment of these staff are shown in Note 10, Analysis of Other Expenditure, while the Income received is shown under Other Income. The trustees have agreed to bring to an end this arrangement and discussions on ending these arrangements are ongoing.

All of the 2018 Other Income was attributable to unrestricted funds.

7. Investment Income	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Bank Interest	2,460	-	2,460	1,551
	2,460	-	2,460	1,551

8. Analysis of Expenditure on Raising Funds and Charitable Activities	Raising Funds Unrestricted £	Charitable Activities			Total 2019 £
		Treatment		Training Unrestricted £	
		Unrestricted £	Restricted £		
Staff Costs	131,878	469,506	17,925	278,001	897,310
Other Direct Costs	21,196	20,406	70,348	24,326	136,276
Support Costs (Note 9)	114,933	434,120	-	226,997	776,050
Governance Costs (Note 9)	1,866	7,048	-	3,686	12,600
	269,873	931,080	88,273	533,010	1,822,236

Included in expenditure this year is a significant amount of exceptional expenditure, the details of which can be seen in note 11.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

8. Analysis of Expenditure on Raising Funds and Charitable Activities (<i>continued</i>)	Raising Funds Unrestricted £	Charitable Activities			Total 2018 (<i>Restated</i>) £
		Treatment		Training Unrestricted £	
		Unrestricted £	Restricted £		
Staff Costs	79,273	199,684	94,770	233,369	607,096
Other Direct Costs	25,521	16,009	10,774	28,303	80,607
Support Costs (Note 9)	11,609	232,676	884	88,081	333,251
Governance Costs (Note 9)	2,286	7,007	-	5,708	15,000
	118,689	455,376	106,428	355,461	1,035,954

9. Support Costs

The charity identifies and classifies support costs into general support (back office etc.) and governance. These costs are then apportioned separately between the key activities undertaken in the year (see Note 8). The basis of apportionment is estimated usage of support function by each activity.

	General Support £	Governance £	Total 2019 £	Total 2018 £
Staff Costs	433,647	-	433,647	200,456
Premises Expenses	137,092	-	137,092	33,373
Office & IT Costs	70,076	-	70,076	52,993
Legal & Professional Fees	76,615	-	76,615	26,627
Other Costs	58,620	-	58,620	19,802
Audit Fees	-	12,600	12,600	15,000
	776,050	12,600	788,650	348,251

On 26 November 2018 The Bobath Centre completed the sale of its former Freehold premises in East Finchley for a consideration of £5,000,000. The Revalued amount disposed of in the transaction was £4,841,589. After allowing for costs of sale the deficit on sale amounted to £5,378. This is included in other support costs above.

All support costs above for 2019 are unrestricted. In 2018 £884 was restricted and the remainder unrestricted.

10. Other Expenditure	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 (Restated) £
Staff Costs Adults, Scotland & Wales	911,064	-	911,064	904,238
	911,064	-	911,064	904,238

Other expenditure includes the staff costs of the other centres, as recharged. See note 6 for details. All other expenditure in 2018 was unrestricted.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

11. Exceptional Costs

During the year the charity incurred exceptional restructure costs as shown in the following table. These costs are included in Notes 8 and 9 above.

Redundancy Costs	£
Support Staff	187,485
Treatment Staff	250,097
Training Staff	54,300
Fundraising Staff	55,814
Related legal costs	25,000
	572,696
Transitional Costs	
Interim CEO	22,435
Temporary Staff	42,064
Recruitment Costs	7,200
New Office Move Costs	47,979
	119,678
Totals	692,374

12. Net Expenditure for the Year	Total 2019 £	Total 2018 £
This is stated after charging:		
Depreciation	3,838	-
Loss on sale of freehold property	5,378	-
Operating Lease	36,250	611
Auditors Remuneration	12,600	15,000

13. Trustee Remuneration

No trustee received any remuneration in the year (2018: £Nil) nor were any expenses reimbursed (2018: £Nil).

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

14. Staff Costs & Numbers	Total 2019 £	Total 2018 £
Salaries and Wages	1,916,087	1,431,275
Social Security Costs	162,583	150,124
Pension Costs	91,652	129,194
Temporary staff and recruitment fees	71,699	673
Sub total	2,242,021	1,711,266
Recharged to Adults Centre, Scotland and Wales	(911,064)	(904,238)
Salary cost of Bobath England only	1,330,957	807,028

The average number of full-time equivalent staff for Bobath England only (including casual and part time staff) was as follows:

	2019	2018
Treatment	6.7	5.0
Training	1.0	3.0
Fundraising	1.3	2.0
Support	3.1	8.0
	12.1	18.0
Average Numbers of Employees	13	18

During the year employee numbers fell from 17 to 9 by 31 March 2019

The number of employees whose emoluments, including redundancy payments, for the year exceeded £60,000 fell within the following ranges:

	2019	2018
£60,000 - £69,999	3	1
£70,000 - £79,999	3	1
£80,000 - £89,999	1	1
£100,000 - £109,999	1	-
£180,000 - £189,999	1	-

Of the 9 employees earning above £60,000 in 2019, 8 left as part of a restructure programme during the year. At the year end the key management personnel comprised the Chief Executive Officer. Employee benefits including employer pension contributions of the key management personnel were £126,155.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

15. Pensions

The charity contributes towards two defined benefit pension schemes: The NHS England scheme, to which it has access as a qualifying independent body, and TPT (formerly known as The Pensions Trust). Both schemes are actuarially revalued every three years with interim revaluations in the intervening years.

The NHS England Scheme

Any shortfall in the value of current investments and anticipated future returns on the one hand and current and expected future liabilities in the NHS scheme must be made good by an increase in the Employers' contribution rate. This 2019-20 "underlying" rate was set at 20.88% but the actual rate was kept at the previous year's level (14.88%) with the difference being made good by HM Treasury. The Employers' contribution rate for 2020-21 has not yet been confirmed.

The Pension Trust - The Growth Plan

The company participates in the scheme; a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1 April)
---------------------------------------	---

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1 April)
---	---

From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1 April)
---	---

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

15. Pensions (continued)

Pension Revaluation	Total 2019 £	Total 2018 £
Provision at start of period (based on present value)	90,740	102,000
Unwinding of discount factor	1,182	1,263
Deficit contributions - paid	(11,659)	(11,319)
Remeasurement - impact of any change in assumption	318	(1,204)
Remeasurement - amendments to the contribution schedule	(45,783)	
Provision at the end of the period (based on present value)	34,798	90,740

Assumptions	31 Mar 2019 % per annum	31 Mar 2018 % per annum	31 Mar 2017 % per annum
Rate of discount	1.39	1.71	1.32

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount to the same recovery plan contributions.

Pension Split	Total 2019 £	Total 2018 £
Within one year	11,243	11,659
After 1 year	23,555	79,081
Total	34,798	90,740

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

16. Tangible Fixed Assets	Freehold Property £	Leasehold Property £	Equipment	Total £
Cost or Valuation				
At 1 April 2018	4,341,589	-	9,100	4,350,689
Additions	-	709,494	24,064	733,558
Disposals	(4,341,589)	-	(9,100)	(4,350,689)
At 31 March 2019	-	709,494	24,064	733,558
Depreciation				
At 1 April 2018	-	-	9,100	9,100
Charge for the Year	-	-	3,838	3,838
Eliminated on Disposal	-	-	(9,100)	(9,100)
At 31 March 2019	-	-	3,838	3,838
Net Book Value				
At 31 March 2019	-	709,494	20,226	729,720
At 31 March 2018	4,341,589	-	-	4,341,589

Tangible Fixed Assets (continued)

In 2017 the Charity entered into a contract for the sale of its freehold property in East Finchley and this sale was completed on 26 November 2018 for a consideration of £5,000,000. A non-refundable deposit of £500,000 was received in the previous year. Loans of £650,000 were also drawn in the previous financial year (see note 19). A further deposit of £500,000 was received on 12 June 2018, as well as a further loan of £250,000 on 15 October 2018. The deposits and loans (together with interest charges) were deducted from the proceeds of the sale, with net proceeds of £3,017,412 being received from the solicitors in November 2018.

On 23 March 2018 the Charity entered into a 20 year lease on new premises based in Watford and, following an extensive refurbishment moved from temporary accommodation into the property in February 2019. Following receipt of the final invoice for the refurbishment depreciation will be applied from 1 April 2019.

The new lease specifies 5 yearly rent reviews with a co-terminus tenant-only break clauses inside the Landlord and Tenant Act 1954. Annual rent from 24 March 2019 till 23 March 2023 is £72,500 pa with a 50% discount applied during the year to 23 March 2019.

17. Stock	Total 2019 £	Total 2018 £
Stock	-	2,705
	-	2,705

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

18. Debtors	Total 2019 £	Total 2018 £
Trade Debtors	18,213	42,525
Other Debtors	2,716	199,875
Prepayments & Accrued Income	23,440	34,375
	44,369	276,775

Other debtors last year consisted of expenditure relating to the sale of East End Road and improvements to the Leasehold Property. These costs have now been capitalised.

19. Creditors: Amounts falling due within one year	Total 2019 £	Total 2018 £
Trade Creditors	79,445	33,167
Accruals & Deferred Income	93,863	156,985
Other Creditors	132,150	12,678
Taxation and Social Security	28,382	36,459
Pension Deficit Liability	11,243	11,659
Short Term Loans	-	650,000
	345,083	900,948

The short term loans in 2018 were repaid on completion of the property sale in this year (see note 16).

Analysis of Deferred Income	£
B/Fwd at 1 April 2018	123,295
Released in 2018-19:	
Income in Advance of Training Courses	(123,295)
Deferred in 2018-19:	
Income in Advance of Treatment	6,586
Income in Advance of Training Courses	62,288
Funds raised in Advance of Events	2,644
Balance at 31 March 2019	71,518

20. Creditors: Amount falling due after more than one year	Total 2019 £	Total 2018 £
Defined Benefit Pension Liability	23,555	79,081

The Pension Liability is the present value of the liability to TPT Pensions which from a change in regulations in 2004 has fallen to be classed as a defined benefit pension scheme. The figure is calculated annually by the scheme actuary. Between 31 March 2017 and 31 March 2019 the value of this provision has fallen from £101,852 to £34,978 in total, of which £11,243 is classed as a current liability with the remaining balance treated as non-current. Further details can be found in note 15.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

21. Movements in Funds	Balance at 01 Apr 18 £	Income £	Expenditure £	Transfers between Funds £	Balance at 31 Mar 19 £
<u>Restricted Funds</u>					
Treatment Fund	17,481	18,897	(67,011)	30,633	-
Training Fund	9,025	-	-	-	9,025
Research Fund	17,925	-	(17,925)	-	-
Equipment Fund	8,434	3,975	(3,337)	-	9,072
Total restricted funds	52,865	22,872	(88,273)	30,633	18,097
<u>Unrestricted Funds</u>					
Designated Funds					
Treatment Fund	24,887	-	-	(24,887)	-
Training Fund	21,483	-	-	(21,483)	-
Redundancy Reserve	-	-	-	186,000	186,000
	46,370	-	-	139,630	186,000
General Funds					
Fixed Assets Reserve	1,597,415	-	-	(867,695)	729,720
Free Reserves	(169,571)	1,459,547	(2,645,027)	3,385,664	2,030,613
	1,427,844	1,459,547	(2,645,027)	2,517,969	2,760,333
Revaluation Reserve	2,744,174	-	-	(2,744,174)	-
Pension Reserve	(90,740)	-	-	55,942	(34,798)
Total unrestricted funds	4,127,648	1,459,547	(2,645,027)	(30,633)	2,911,535
Total Charity Funds	4,180,513	1,482,419	(2,733,300)	-	2,929,632

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

21. Movements in Funds (continued)	Balance at 01 Apr 17 £	Income (restated) £	Expenditure (restated) £	Transfers between Funds £	Balance at 31 Mar 18 £
<u>Restricted Funds</u>					
Treatment Fund	43,089	18,365	(94,770)	50,797	17,481
Training Fund	9,025	-	-	-	9,025
Research Fund	18,255	-	(330)	-	17,925
Equipment Fund	12,505	6,373	(10,444)	-	8,434
Refurbishment Fund	884	-	(884)	-	-
Total restricted funds	83,758	24,738	(106,428)	50,797	52,865
<u>Unrestricted Funds</u>					
<u>Designated Funds</u>					
Treatment Fund	7,432	-	(29,386)	46,841	24,887
Training Fund	21,483	-	-	-	21,483
Redundancy Reserve	-	-	-	-	-
	28,915	-	(29,386)	46,841	46,370
<u>General Funds</u>					
Fixed Assets Reserve	2,097,415	-	-	(500,000)	1,597,415
Free Reserves	(188,963)	1,432,668	(1,804,378)	391,102	(169,571)
	1,908,452	1,432,668	(1,804,378)	(108,898)	1,427,844
Revaluation Reserve	2,744,174	-	-	-	2,744,174
Pension Reserve	(102,000)	-	-	11,260	(90,740)
Total unrestricted funds	4,579,541	1,432,668	(1,833,764)	(50,797)	4,127,648
Total Charity Funds	4,663,299	1,457,668	(1,940,192)	-	4,180,513

Description, nature and purpose of restricted funds:

During the year expenditure against the treatment fund exceeded the funds available. A transfer was made from unrestricted funds to cover the additional spending.

The Training Fund exists to provide training to therapists from under-resourced countries in the Bobath concept as well as to train new tutors.

The Equipment Fund exists to fund the purchase of equipment necessary for treatment or new research.

Description, nature and purpose of designated funds:

The Fixed Asset Reserve represents the book value of fixed assets at the balance sheet date.

The Pension Reserve represents the total value of the pensions deficit liability as shown by notes 14 and 15

The Redundancy Reserve is an amount set aside to meet the redundancy costs of all existing members of staff at a theoretical point exactly 12 months from the year end.

Description, nature and purpose of General Funds:

The General reserve represents funds available at the discretion of the Trustees after allowing for all the designated funds and is equal to the free reserves of the charitable company.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

22. Analysis of Net Assets between Funds	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Fixed Assets	729,720	-	729,720
Current Assets	2,550,453	18,097	2,568,550
Current Liabilities	(345,083)	-	(345,083)
Creditors due after more than 1 Year	(23,555)	-	(23,555)
	2,911,535	18,097	2,929,632

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Fixed Assets	4,341,589	-	4,341,589
Current Assets	766,088	52,865	818,953
Current Liabilities	(900,948)	-	(900,948)
Creditors due after more than 1 Year	(79,081)	-	(79,081)
	4,127,648	52,865	4,180,513

23. Operating Lease Commitments

Lease payments due under operating leases:	2019 £	2018 £
Within one year	72,500	36,250
In two to five years	290,000	290,000
Over five years	1,015,000	1,087,500
	1,377,500	1,413,750

The lease is in respect of the leasehold premises acquired under a 20 year lease with 5 yearly tenant only break clauses as noted in note 16 above.

The lease payments recognised as an expense in the year to 31 March 2019 are £36,501 (2018 £611).

24. Capital Commitments

At 31 March 2019 the Charity had capital commitments of £14,913 relating to the refurbishment of the leasehold property.

THE BOBATH CENTRE FOR CHILDREN WITH CEREBRAL PALSY

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2019

25. Related Party Transactions

The Centre seconded therapists to Bobath Wales (a company limited by guarantee) and Bobath Scotland (a Scottish Charitable Incorporated Organisation) for which both organisations reimburse Bobath England fully. In addition all three organisations provide some joint training courses for which costs each organisation bears is recovered fully from the courses. During the year to 31 March 2019 the Centre also seconded staff to the Bobath Centre for Adults with Neurological Disability. Henry Collier and Ann Tinklepaugh are trustees of both the Adult's and Children's companies. Christine Barber, Director of Clinical Services for the Children's company is a trustee of Bobath Wales. Niki Michael, a trustee of the Centre, is the parent of a service user.

Until 31 March 2018 the Adult's Company was charged £17,000 pa for the use of space and any office services. During the year commencing 1 April 2018 it was decided to close the Adult company and merge the activities of the Adult's and Children's charities during the year to 31 March 2020 and as a consequence charges were only levied upon the Adult's company for the first 7 months of the year, totalling £9,917.

At 31 March 2019 Bobath England owed Bobath Wales £3,998 (2018: £Nil). At the same date Bobath Scotland owed Bobath England £Nil (2018: £1,064).

Claire Mayne-Constantinou (Chief Operating Office until 22 March 2019) had a connection to a supplier of IT Services, Thames Information Systems Limited ("TISL"). During the year the Centre paid TISL for equipment and services as shown in the following table.

Key management personnel are also related parties for the purposes of this disclosure. Employee benefits including employer pension contributions of the key management personnel were £126,155.

The total value of related party transactions comprises:

	2019	2018
	£	(restated) £
The Adult Centre	81,744	100,033
Bobath Scotland	312,209	235,669
Bobath Wales	600,734	572,881
Subtotal	994,687	908,583
TISL	(61,481)	(12,713)
	933,206	895,870