

THERA EAST
(A company limited by guarantee)

Registered No: 06795987

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2013

FRIDAY



A2045ROW

A45

27/12/2013

#7

COMPANIES HOUSE

THERA EAST
(A company limited by guarantee)

CONTENTS

	Page
Introduction	1
Company Information	2-3
Directors' Report	4-20
Independent Auditors' Report	21-26
Summary of Thera East's Money	27
Income and Expenditure Account	28
Balance Sheet	29
Notes to the Financial Statements	30-37

THERA EAST
(A company limited by guarantee)

INTRODUCTION

**These papers tell readers what the company has been doing
between April 2012 and March 2013.**

**The directors have written about what has gone well and what
needs development.**

You can see how the company has managed its money.

The accounts have been checked by our Auditors – Clement Keys LLP.

**Some of these papers must be written in legal language. We have
introduced each section with an Easy Read text box.**

THERA EAST
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS

Simon Conway

Jenny Garrigan

Edward Morgan

Graham Skidmore

SECRETARY

Simon Conway

COMPANY NUMBER

06795987

REGISTERED OFFICE

134 Edmund Street
Birmingham
B3 2ES

THERA EAST
(A company limited by guarantee)

COMPANY INFORMATION

AUDITORS

Clement Keys LLP
Chartered Accountants
Statutory Auditors
No 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

BANKERS

Barclays Bank PLC
43 High Street
Sutton
Surrey
SM1 1DR

SOLICITORS

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

This section explains that directors are responsible for putting together accounts which must show a true and fair view. This is the law.

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

The directors are pleased to present their report and financial statements for the year ended 31 March 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to support people with a learning disability in the East of England

RESULTS

The financial result for the year, after taxation, was £nil (2012 £nil)

DIRECTORS

The directors who served in the year were

Simon Conway

Jenny Garrigan

Paul Kavanagh (resigned 29 May 2012)

David Martin (appointed 19 June 2012, resigned 31 January 2013)

Edward Morgan

Graham Skidmore

The directors have no financial interest in the company, it being limited by guarantee

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013



A Proud Moment

"Following two changes of Board Chairman in the last 24 months, I find myself in the proud position of chairing the Board of Thera East at a time when the company has achieved the coveted Investors in People Silver award

It is a credit to our management team and to all of our staff and I should like to take this opportunity to thank them for their hard work and the dedication that they show to the people that we support

Simon Conway
Interim Chairman

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013



What is Important for Thera

- 1 Thera has always said that the people it supports must be involved in how the organisation does its job
Thera's vision sets out clearly Thera's philosophy of control and involvement by the people it supports
 - ✓ Thera will show that people with a learning disability can be leaders in society,
 - ✓ Thera will be controlled by people with a learning disability,
 - ✓ People supported by Thera can say how their Thera company is directed and managed,
 - ✓ People with a learning disability will design the support they want from Thera,
 - ✓ Thera will respect the rights and wishes of people at work, at home and in the community,
 - ✓ People with a learning disability will check the quality of support from their Thera company;
 - ✓ Thera Group will be led by a Charity

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

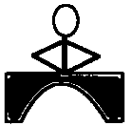


2

support

Thera East Supports People with a Learning Disability

As of 31 March 2013, Thera East supported over 250 people with a learning disability, at home, in the community and for short breaks. We provide the support that people want, that meets their individual needs.



director

"I seem to say every year that it has been another busy year for Thera East!"

We have continued to support people, working with their circles of support to help them achieve their dreams.

Our staff have once more proved their dedication in sometimes challenging circumstances. Due to their continued commitment, values and flexibility, they can take great pride in our achievement of the Investors in People Silver Award this year. This is a true reflection of their passion and dynamism in the work they do.

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

Thera East has continued to develop and mature this year, and I am sure we will continue to eclipse the successes of last year in the year ahead, making a real difference in people's lives

The coming year will see an increased focus on helping people engage increasingly with their local communities and on supporting them to take greater control of the funding that pays for their support

I look forward to reporting on another busy year in 12 months time!"

Eddie Morgan
Managing Director

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013



Our Stories

- 3 "John" took part in a sponsored walk with his local Rotary Club to raise funds for the Essex Air Ambulance Service for the second consecutive year
- 4 "David" has managed to spend time outside his home for the first time in a number of years. He is now enjoying many activities including visiting the zoo and day trips
- 5 "William" has attended a family social event to celebrate a birthday, for the first time. His family and friends are delighted by the progress he has made in developing his confidence and independence
- 6 "Frank" moved out of a retirement home, where he had been placed in an emergency, while Social Services tried to find him somewhere else to live. He had not left the home in 9 months but now sees his family and friends regularly, and enjoys taking part in activities that he chooses

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013



- 7 At 1st April 2013, Thera East supported 256 people in Essex and Suffolk County Council areas. Most of this work is intensive 24 hour support, to people with complex support needs, in their own homes. Thera supports people to take an active part in their local community, in employment and accessing daytime pursuits and for short breaks.
- 8 All the people we support now have access to our new software where they can view and monitor the performance of their individual budget.
- 9 At the end of the year, Thera East employed 567 people, the majority of whom are support workers.

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013



manage

People with a Learning Disability Help Manage Thera

10 As well as leading the design and delivery of their own support, the people who are supported by Thera have a lot of influence on how their Thera company is directed and managed¹ For example, people with a learning disability are employed as directors and in a number of other posts, they can be members of their local Thera company, and they are consulted on a range of important issues for the organisation



director

"As Service Quality Director for Thera East, I continue to work to ensure we carry out Thera's vision, enabling people to lead their own support and have the opportunity to achieve their goals through personal choices and decision making I have been doing as many visits to people as I can and hope people are getting to know me better.

We will be rolling out company membership at our Annual General Meeting in October to give even greater control of our company to the people we support Families and

¹ Thera Trust's is our parent company. Its charitable objects are " the relief of persons with learning disabilities, their families and carers by the provision of support services including services in the support of residential, respite and other suitable forms of care, education and work opportunities and to promote public awareness of the needs of such persons and to give support to their families " and " the promotion of the effective use of charitable resources for the benefit of the public by the provision of services to organisations involved in the relief of persons with learning disabilities, their families and carers "

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

members of staff also have the opportunity to become company members I will be taking the lead on this next year

I remain the Chairman for the Thera wide group looking at employment opportunities for people A sub group from the Employment group has been working on the 'Dolphins' Den' project to encourage people to set up work enterprises The pilot is taking place in another Thera company and once this is completed, I hope to start the project for people supported by Thera East

Following last year's 'Lived Experience' pilot which I was lucky enough to attend, I have become interested in assistive technology and also in encouraging Thera East to use this much more to help people be more independent "

Graham Skidmore
Service Quality Director

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013



Thera East Employs Good Staff

- 11 Our staff are our most important asset and we take considerable pride in their achievements, their dedication and the level of commitment they make every day in delivering high quality support to people. We have continued to invest in offering first class support, training and development throughout Thera, ensuring that staff are capable and motivated to meet the needs of the people we support. This was recognised in March this year, when Thera East achieved the Investors in People (IIP) silver award - a brilliant accomplishment!
- 12 As befits an organisation with Thera's Vision, we are committed to ensuring that all job applicants and employees are treated fairly and valued regardless of sex, disability, race, age, marital status, sexual orientation, religion, colour, ethnic or national origin. We value diversity and social inclusion across all our activities and our recruitment process ensures that all applicants have equal opportunity.

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

- 13 During the previous year, we undertook a restructuring of our management roles that took effect in May 2012. In Autumn 2012, we started a complex review of our staff terms and conditions which is expected to be completed by the end of 2013.
- 14 Thera East has an established Employee Consultative Council, which considers a range of matters relating to Thera's staff. This includes sharing important information about Thera Group and finding out what staff think about important decisions that may affect them.
- 15 The Employee Consultative Council is the formal mechanism for ensuring that Thera delivers on its philosophy of involvement in relation to its staff.

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013



Thera East's Money

- 16 Thera's accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with Thera East's Articles of Association and applicable law
- 17 Turnover in 2012-13 was £12 13m (2011-12 £12 35m).
- 18 Directors determined that the surplus made during the year would be contributed to Thera Trust as a donation under gift aid



Managing Thera East's Risks

- 19 Thera East's Health and Safety Committee provides the formal mechanism for Thera jointly with staff safety representatives to fulfil their obligations under health and safety legislation and in line with the Group's Health and Safety Policy

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

- 20 The Directors have assessed the major risks to which Thera may be exposed through a risk management strategy and are satisfied that systems are in place to minimise the incidence and impact of these risks. This strategy will be reviewed annually.



Development of Thera East

- 21 Over the last year, Thera East has continued to grow although turnover has reduced slightly due to changes in some of our contracts. We hope in 2013-14, to build upon our reputation and success and support more people to live the life they want.
- 22 Thera East will continue to look at new opportunities in the next year, and will focus on contracting with individual customers, as well as building on our new partnerships.

This section explains that the directors have told the Auditors everything they should and that they have worked within the law.

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing its report and to establish that the company's auditors are aware of that information

**This section asks Company Members to agree that the Auditors,
Clement Keys LLP, be chosen again as the company's Auditors**

THERA EAST
(A company limited by guarantee)

DIRECTORS' REPORT
for the year ended 31 March 2013

Following the cessation of the audit registration for the partnership known as Clement Keys, Clement Keys LLP was appointed as successor auditor with effect from 1 January 2013. Clement Keys LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors on 29 October 2013 and signed on its behalf

A handwritten signature in black ink, appearing to be 'Simon Conway', written diagonally across the page.

Simon Conway
Secretary

This section explains that the Auditors have audited (checked) the accounts and that they are reporting to Company Members

THERA EAST

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THERA EAST**

We have audited the financial statements of Thera East for the year ended 31 March 2013, which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our 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 auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Director's responsibilities are explained on page 4.
This page explains that it is the Auditors' responsibility to audit (check)
the accounts as the law says they should.**

THERA EAST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THERA EAST**

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

This page explains how the Auditors check the accounts.

THERA EAST

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THERA EAST**

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

This page explains that the Auditors are reporting that the accounts give a true and fair view of the company and that they are put together as the law says they should be put together.

THERA EAST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THERA EAST

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its result 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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

This section explains that the Auditors must tell us if they are unhappy with how the directors managed the company.

The Audit report says that there is nothing bad the Auditors wish to report to Company Members.

THERA EAST

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA EAST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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 or returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all information and explanations we require for our audit

THERA EAST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THERA EAST

Clement Keys LLP.
Joseph Bates FCA DChA

for and on behalf of
CLEMENT KEYS LLP

Chartered Accountants
Statutory Auditors
No 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

Date 24.12.13

You will see that this report and accounts also includes accessible information so that the directors of Thera East are ensuring that all Company Members, including those with a learning disability, are able to fulfil their duties in law including to receive the accounts and to appoint the directors and Auditors.

The law does not say we must provide this information, but Clement Keys LLP says it is in line with the statutory report and accounts.

THERA EAST
(A company limited by guarantee)

SUMMARY OF MONEY

For the year ended 31 March 2013

What we have earned and what we have spent

Money in	£ 12,135,459
What we spent on staff	£ (10,133,136)
Other money spent	£ <u>(1,249,520)</u>
What is left over for this company	£ 752,803
Contribution made to Thera Trust	£ <u>(752,803)</u>
What is left over from the year	£ <u><u>-</u></u>

What Thera East has at 31 March 2013

How much cash we have in the bank	£ 8,956
What we are owed by others	£ 2,630,524
What we owe to Thera Trust companies	£ (1,587,704)
What we owe to others	£ <u>(1,051,776)</u>
Net amount the company has at 31 March 2013	£ <u><u>-</u></u>

THERA EAST
(A company limited by guarantee)
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2013

	Note	2013 £	2012 £
TURNOVER	2	12,135,459	12,347,792
Direct costs		(10,511,980)	(10,953,758)
GROSS SURPLUS		<u>1,623,479</u>	<u>1,394,034</u>
Administration expenses		(1,533,403)	(1,394,034)
Exceptional costs	3	<u>(90,076)</u>	<u>-</u>
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
Tax on result from ordinary activities		-	-
RESULT FOR THE FINANCIAL YEAR	9	<u>-</u>	<u>-</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Income and Expenditure Account

The notes on pages 30 to 37 form part of these financial statements

THERA EAST
(A company limited by guarantee)

COMPANY REGISTRATION NUMBER 06795987

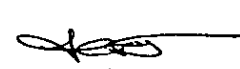
BALANCE SHEET

as at 31 March 2013

		2013		2012	
	Note	£	£	£	£
CURRENT ASSETS					
Debtors	6	2,630,524		2,057,725	
Cash at bank and in hand		8,956		14,404	
		<u>2,639,480</u>		<u>2,072,129</u>	
CREDITORS amounts falling due within one year	7	(1,051,776)		(1,144,668)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			1,587,704		927,461
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,587,704</u>		<u>927,461</u>
CREDITORS amounts falling due after more than one year	8		(1,587,704)		(927,461)
			<u></u>		<u></u>
NET ASSETS			-		-
			<u></u>		<u></u>
RESERVES					
Income and expenditure account	9 & 10		-		-
			<u></u>		<u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 October 2013


Simon Conway
Director


Jenny Garrigan
Director

The notes on pages 30 to 37 form part of these financial statements

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publically available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 TURNOVER

As work is undertaken on a contractual basis, any income is recognised in accordance with the terms of the contract. In general terms, this means that income is recognised as support is provided

1.4 TAXATION

Irrecoverable VAT

Irrecoverable VAT is charged against the category of expenditure for which it was incurred

1.5 OPERATING LEASES

Rentals under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term

1.6 PENSIONS

Tera East participates in The Pensions Trust Ethical Fund (formerly The Pensions Trust Unitised Ethical Money Purchase Plan) which is a defined contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

Tera East also participates in the NHS Pension Scheme which is a defined benefit scheme. Contributions to the scheme are charged against net income in the period in which they are payable. The pension charge is based on a full actuarial valuation as disclosed in the relevant note to the financial statements. Contributions for the NHS scheme are set by the Government Actuary

1.7 PARENT CHARITY AND FINANCIAL SUPPORT

An Intra-Group Agreement exists between Tera Trust and its trading subsidiaries. This Intra-Group Agreement incorporates a Funding Agreement which allows Tera Group companies to benefit from the movement of funds around the Group. Each trading subsidiary has acceded to this Intra-Group Agreement with Board approval. In addition to this, Tera Trust and its trading subsidiaries have all individually agreed not to demand the repayment of any inter-company borrowings within twelve months of the date on which the balance sheet is signed. Any amounts due to or from Group companies that have been shown as due within one year relate purely to balances arising from operational activities

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

2 TURNOVER

The whole of the turnover is attributable to income from contracts with Local Authorities, other organisations and individuals to provide support to people with a learning disability

All turnover arose within the United Kingdom

3 OPERATING RESULT

The operating result is stated after charging

	2013	2012
	£	£
Operating leases – motor vehicles	6,899	3,172
Operating leases – other	21,744	19,063
Charitable donations	752,803	593,641
Exceptional costs	90,076	-
	<u> </u>	<u> </u>

Auditors' remuneration for the group is disclosed in full in the parent charitable company

During the year, Thera East undertook a restructuring exercise and a review of staff terms and conditions of employment. As a result, exceptional costs were incurred in the year totalling £90,076 (2012 £nil)

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013	2012
	£	£
Wages and salaries	9,247,829	9,523,722
Social security costs	703,155	751,538
Pension costs	182,152	199,395
	<u>10,133,136</u>	<u>10,474,655</u>

The average monthly numbers of employees, including the directors, during the year was as follows

	2013	2012
	No	No
Direct and relief support work	565	604
Management and administration	10	9
	<u>575</u>	<u>613</u>

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

5 DIRECTORS' REMUNERATION

	2013	2012
	£	£
Directors' remuneration	87,845	91,068

6 DEBTORS

	2013	2012
	£	£
Trade debtors	1,942,648	1,331,030
Other debtors	65,006	87,879
Prepayments and accrued income	622,870	638,816
	<u>2,630,524</u>	<u>2,057,725</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	12,633	6,053
Amounts due to group undertakings	-	3,400
Social security and other taxes	187,596	202,861
Other creditors	51,383	29,250
Accruals and deferred income	<u>800,164</u>	<u>903,104</u>
	<u>1,051,776</u>	<u>1,144,668</u>

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

8 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013	2012
	£	£
Amount due to group undertakings	1,587,704	927,461
	<u> </u>	<u> </u>

9 RESERVES

	Income and Expenditure account
	£
At 1 April 2012	-
Result for the year	-
	<u> </u>
At 31 March 2013	-
	<u> </u>

10 RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2013	2012
	£	£
Result for the financial year	-	-
Opening members' funds	-	-
	<u> </u>	<u> </u>
Closing members' funds	-	-
	<u> </u>	<u> </u>

11 PENSION COMMITMENTS

Pensions Trust Ethical Fund (formerly Pensions Trust Unitised Ethical Money Purchase Plan)

Thera East participates in The Pensions Trust Ethical Fund, which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £18,612 (2012 £17,608). The amount outstanding in respect of this Scheme at the year-end was £14,340 (2012 £3,917).

Thera East will use this scheme for pensions auto-enrolment.

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

11 PENSION COMMITMENTS (continued)

NHS Pension Scheme

For some employees, who have previously worked in the NHS, Thera East also participates in the NHS Pension Scheme, which is a defined benefit scheme. Contributions to this scheme, which are charged against net income, are set by the Government Actuary. The pension charge for the year in respect of this Scheme was £163,540 (2012 £171,905). The amount outstanding at the year end was £18,548 (2012 £19,776).

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme; the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (FRM) requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates, was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

In order to defray the costs of benefits, employers pay contributions at 14% of pensionable pay and most employees had up to April 2008 paid 6%, with manual staff paying 5%.

Following the full actuarial review by the Government Actuary undertaken as at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, his valuation report recommended that employer contributions could continue at the existing rate of 14% of pensionable pay, from 1 April 2008, following the introduction of employee contributions on a tiered scale from 5% up to 8.5% of their pensionable pay depending on total earnings. On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. With effect from 1 April 2012 the employee contributions tiered scale was amended to reflect contribution rates from 5.0% to 10.9% and from 1 April 2013 was further amended to a range of 5.0% to 13.3%. Employer contribution rates remained at 14%.

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

11 PENSION COMMITMENTS (Continued)

NHS Pension Scheme (continued)

A formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision. Employer and employee contribution rates are currently being determined under the new scheme design.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31 March 2013 is based on detailed membership data as at 31 March 2010 updated to 31 March 2013 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

c) Scheme provisions

The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained.

Annual Pensions

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This provision is known as "pension commutation".

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

11 PENSION COMMITMENTS (Continued)

NHS Pension Scheme (continued)

Pensions Indexation

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used to replace the Retail Prices Index (RPI).

Lump Sum Allowance

A lump sum is payable on retirement which is normally three times the annual pension payment.

Ill-Health Retirement

Early payment of a pension, with enhancement in certain circumstances, is available to members of the Scheme who are permanently incapable of fulfilling their duties or regular employment effectively through illness or infirmity. For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Death Benefits

A death gratuity of twice their final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

Additional Voluntary Contributions (AVCs)

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

Transfer between Funds

Scheme members have the option to transfer their pension between the NHS Pension Scheme and another scheme when they move into or out of NHS employment.

Preserved Benefits

Where a scheme member ceases NHS employment with more than two years' service they can preserve their accrued NHS pension for payment when they reach retirement age.

12 RELATED PARTY TRANSACTIONS

In line with the exemption conferred by FRS 8, Thera East has chosen not to disclose related party transactions between group companies on the grounds that 100% of the voting rights are held by Thera Trust and that Thera East is included in Thera Trust's consolidated financial statements.

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

13 COMPANY STATUS

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Tera East's ultimate parent company is Tera Trust, a charitable company limited by guarantee and registered in England and Wales.

Tera Trust prepares consolidated financial statements in which the company is included. Copies of these accounts can be obtained from The West House, Alpha Court, Swingbridge Road, Grantham, Lincolnshire NG31 7XT.