

THERA EAST
(A company limited by guarantee)

Registered No: 06795987

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2016

SATURDAY



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THERA EAST
(A company limited by guarantee)

CONTENTS

	Page
Introduction	1
Company Information	2-3
Directors' and Strategic Report	4-24
Independent Auditors' Report	25-30
Summary of Thera East's Money	31
Income and Expenditure Account	32
Balance Sheet	33
Statement of Cash Flows	34
Notes to the Financial Statements	35-44

THERA EAST
(A company limited by guarantee)

INTRODUCTION

**These papers tell readers what the company has been doing
between April 2015 and March 2016.**

**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 – PKF Cooper Parry
Group Limited.**

**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

Jonathan Cheyette

Sir Ronald de Witt

Jennifer Garrigan

Graham Skidmore

Nigel Smith

Ian Thurgood

Conrad Warwick

SECRETARY

Simon Conway

COMPANY NUMBER

06795987

THERA EAST
(A company limited by guarantee)

COMPANY INFORMATION

REGISTERED OFFICE

134 Edmund Street
Birmingham
B3 2ES

AUDITORS

PKF Cooper Parry
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

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

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

The directors are pleased to present their report and financial statements for the year ended 31 March 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, the Strategic 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' AND STRATEGIC REPORT
for the year ended 31 March 2016

- 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 Directors' Reports may differ from legislation in other jurisdictions.

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

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, and the prior year, after taxation, was neither a surplus nor a deficit.

DIRECTORS

The directors who served in the year were:

Jonathan Cheyette

Simon Conway (resigned 1 June 2016)

Sir Ronald De Witt

Jennifer Garrigan

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

Catherine Moriarty (appointed 26 October 2015 and resigned 2 September 2016)

Graham Skidmore

Nigel Smith

Conrad Warwick

Subsequent to the year end, Ian Thurgood was appointed as a director on 22 August 2016.

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

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

Directors and Strategic Report¹



chairman

Chairman's Report

"It has been another successful and very busy year for Thera East and for all of the staff and I am extremely grateful to everyone for the hard work and commitment shown to the organisation but most importantly to the people we support. I am sure all of the Board join me in saying a big thank you!

It has been a challenging time as the organisation adjusts to the changing circumstances for many people in their new environments. Obviously these present new learning and opportunities for all of us as we further the Thera model and philosophy of support.

The Board itself is undergoing change as we look for and appoint new Directors. I would like to thank Simon Conway for all of his hard work as the interim Chairman and for his guidance while the process of a new chairman appointment took place.

¹ Thera East seeks to make its annual report and accounts accessible to all of its readers, including those with a learning disability, whilst meeting all statutory requirements. This approach requires us to "tell the story" comprehensively for the year. Key information required as part of the strategic report (context to the financial statements, analysis of our performance and insight into our objectives, strategies and risks) is woven throughout and a single integrated report is therefore being provided.

THERA EAST
(A company limited by guarantee)

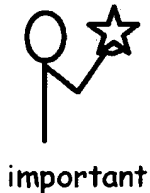
DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

It is my honour and pleasure to have accepted the chairman role and look forward to working with everyone as we take the organisation forward.”

Sir Ronald de Witt
Chairman

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016



What is Important for Thera East

Thera has always said that the people it supports must be involved in how the organisation does its job. Thera's Vision clearly sets out Thera's philosophy of control and involvement by people with a learning disability:

- 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' AND STRATEGIC REPORT
for the year ended 31 March 2016



support

Thera East Supports People with a Learning Disability

As of 31 March 2016, Thera East was providing support to 272 (255 in 2014/15) people with a learning disability. Most of this work is intensive 24 hour support, to people with complex support needs, in their own homes. Thera East supports people to take an active part in their local community, in employment and accessing daytime pursuits and for short breaks.

“It has been another amazing year for Thera East. I feel privileged to have been a part of this success and to hear from people as they share their exciting stories about how their lives have changed as a result of the great support they get from our excellent staff teams. As ever, it is the compliments we receive from people, their families and other professionals that show us that we really are succeeding.

I was so proud when I was told a story about a family and a social worker who had said to a local manager that Thera East are ‘quality worth waiting for’; praise indeed but much appreciated all the same! This and many other stories are the best way possible to gauge how well we are doing.

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

Our Annual General Meeting in February was again an opportunity for everyone to come together and share their stories and celebrate our success. As part of this we also introduced for the first time the 'Thera East Outstanding Achievement Awards' which recognised and rewarded the achievements of people we support, individual staff and teams. Over 300 people came along and enjoyed our celebrations that evening.

I am as convinced as ever that everyone involved in Thera East believes in Thera's Vision as they strive to ensure that people get only the very best support to lead active and fulfilling lives. I am so proud that we have such dedicated, committed and talented staff who ensure our values are put into practice on a daily basis. Not only is this something I witness each time I visit people but it was with a sense of real pride that such dedication was recognised when we achieved the highest accolade possible under the Investors In People framework. Thera East are now very pleased to announce that we have been awarded Investors in People Gold! This is testament to the fantastic work that we all do each and every day to ensure that we provide only the best support, not only to people we support but also to each other.

It was also a very proud moment when people we support, individual staff and staff teams were recognised so positively during Suffolk County Council's 'Go the Extra Mile' (GEM) awards. Again, that the great work of Thera East received external recognition in such a public way is further

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

proof that we really do 'go the extra mile' to provide great support.

The ongoing success of the beach hut fundraising project, led by a number of people we support, has meant not only that they have managed to achieve their goal of buying a beach hut for everyone to use, but they have also ensured that they have actively engaged with the local community in the process.

We have also been really proud of the work we have started with our 'Housing Project' which, in partnership with Forward Housing, has enabled us to offer people the opportunity to consider their housing options and be in control of choosing where they live and who they live with. This is an ongoing project that will make a huge difference to people's lives and provide the opportunity to make those choices that are so fundamental to achieving independence.

Another great example of how we have been making positive changes to the way people get great support is our work with those individuals and their families who use Stonecroft as a short break option. An excellent example of 'co-production' in action, we have been involved in the project with Essex County Council to work in partnership with people we support, their families and other key stakeholders to develop Stonecroft into a flexible and innovative community resource which aims to reach out to more people who want to be supported by us.

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

After such an exciting year we are inspired to strive for even greater achievements and look forward, therefore, to the next 12 months of 'going the extra mile'.

Jon Cheyette
Managing Director



story

Stories!

As ever, the real test of how we are performing is the extent to which the people we work with are satisfied with what we do. We are proud therefore to share some of their stories.

It was a really proud moment when we were able to support 'Jenny' to make her own choice and move into her own home which she had wanted to do for a long while but family circumstances had prevented this previously.

'Debbie' was really proud, as was everyone who knows her, to have received the 'GEM' award for 'My Life My Safety' and outstanding achievement in the category 'My Life My Communication'.

People we support and staff actively got involved at the Ahead Club to run a community fundraiser to help the victims of the Nepal earthquake.

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

'Michael' moved into his new house to be supported by us over a year ago. 'Michael' finds it difficult to travel in a car or on a bus which has limited his opportunities in the past. With great support 'Michael' has now got used to travelling by train and has enrolled in an amateur dramatic group in the neighbouring town which he greatly enjoys and which has really boosted his confidence.

'Sharon' recently joined a social club close to her house and has enjoyed meeting lots of new friends as a result of this.

'Tracey' hadn't been able to afford a holiday for years but with support from her team she was able to successfully apply for a grant that has enabled her to go on her chosen, fun filled activity holiday this year.

'Mary' had unfortunately been unwell for a number of months but made such a remarkable recovery thanks to the great support of her team that she celebrated by arranging a holiday of a lifetime going on a 10 day cruise around the Mediterranean!

After many years of feeling unable to leave her house, 'Susan' was enabled to experience a number of new opportunities. With the dedicated and ongoing support of her staff team, 'Susan' was supported to get used to everyday noises that had previously worried her. With her new found

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

confidence 'Susan' has been out in a car and even visited friends at their house for a BBQ.

Having lost contact with his family over many years, 'Bill' was supported by his staff team to re-establish contact and finally went on holiday to Norfolk to visit his sister.

'Tim' has been horse riding for a number of years and was pleased to win the award for 'most improved rider' and 'best rider of the year' recently. He said that going horse riding enables him to spend time with friends and he enjoys going for lunch with them afterwards.

'Charlotte' has been volunteering at the local food bank and recently increased her volunteering to two days a week. She has enjoyed interacting with the other volunteers and giving something back to people who are in need.

We were incredibly proud to hear that with excellent support from her dedicated staff team, 'Sally' has been able to reduce her paid support hours and become more independent.

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016



People with a Learning Disability Help Manage Thera East

People who are supported by Thera have a lot of influence on how their Thera company is directed and managed² as well as leading the design and delivery of their own support. For example, people with a learning disability are employed as directors and in a number of other posts; they can now become members of Thera East and are consulted with on a range of important issues that affect the organisation. Graham Skidmore is the Service Quality Director for Thera East; Graham is a key member of the Thera East Board and takes the lead on quality.

"I enjoy working alongside Jon Cheyette the Managing Director of Thera East; we have been working on new plans for the company. I would like to welcome our new chairman for the Thera East Board Sir Ron De Witt.

Bridie continues to support me as my Executive Assistant; we work well together and have had a busy year visiting people supported by Thera East. I have welcomed the very positive response from staff teams when I've made suggestions about continued improvement and development of support to people.

² Thera Trust' 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' AND STRATEGIC REPORT
for the year ended 31 March 2016

I am very pleased that people have been supported to use Iplanit as another way to develop their Person Centred Plan. It is helping people plan what they want to do and help their staff teams and circles of support know about their goals and achievements. As a Director, I have also been able to use this to help me gather information on people's employment goals.

Over the last year the local employment group have created an employment book to help people to plan for paid or unpaid employment. We continue to look at new ways of supporting people with employment. People supported by Thera East and some members of staff come along to the group. People share their stories and experiences. I use Dolphins Den to show people that they can start their own business too. We plan to work more closely with the people we support looking for voluntary or paid work.

We now have active membership in Thera East. Our Annual General Meeting will be held in December 2016. We plan to train our members in September 2016. I have continued to encourage people to become a member of Thera East, talking to people about the benefits of membership. During the year, I visited as many people as possible and attended groups to share information.

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

Being Heard relaunched this year, we have Community Information points in Bury, Colchester and Harwich. We are currently working with Lowestoft to set up one there and Brentwood will have one soon. These are points where people can go and find out about local advocacy groups, activities and events in their local area. We have created a Being Heard booklet that is local to Thera East.

As well as the work I do in Thera East, I take part in a meeting with all of the Service Quality Directors across Thera Group four times per year. I have enjoyed sharing ideas and helping new Service Quality Directors learn about Thera and about their job”.

Graham Skidmore
Service Quality Director

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016



Thera East Employs Good Staff

At the end of the year, Thera East employed around 562 people (2014/15 - 553), the majority of whom are support workers.

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 staff by 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.

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 has a well-established Employee Consultative Council, which considers a range of matters relating to its staff. This includes sharing important information about Thera and finding out what staff think about important decisions that may affect them.

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

The Employee Consultative Councils are the formal mechanism for ensuring that Thera delivers on its philosophy of involvement in relations to its staff.



money

Thera East's Money

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.

Turnover in 2015-16 was £11,505,562 (2014-15 £11,042,855).

Directors determined that the surplus made during the year would be contributed to Thera Trust as a donation under gift-aid in the sum of £705,833 (2014-15 £642,755).



risk

Managing Thera East's Risk

The directors have assessed and monitored the major risks to which Thera East may be exposed through a risk management strategy. Key risks inherent in our work include the abuse or neglect of vulnerable people, a failure to comply with CQC Essential Standards or a failure to realise Thera's Vision. Directors are satisfied that systems are in place to

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

minimise the incidence and impact of these risks. The risk management strategy is reviewed annually.

In addition, 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. In particular, Thera East sets and regularly reviews its serious incident and emergency contingency plan.

THERA EAST
(A company limited by guarantee)

DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

<p>This section explains that the directors have told the Auditors everything they should and that they have worked within the law.</p>
--

DISCLOSURE 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.

THERA EAST
(A company limited by guarantee)

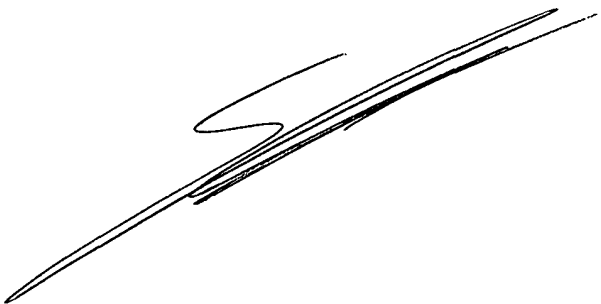
DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2016

This section asks Company Members to agree that the Auditors, PKF Cooper Parry Group Limited, be chosen again as the company's Auditors

AUDITORS

The business of Clement Keys LLP merged with PKF Cooper Parry Group Limited on 8 January 2016. Clement Keys LLP has resigned as auditor and the merged firm PKF Cooper Parry Group Limited has been appointed in its place.

Approved by the Board of Directors on 6 September 2016 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Simon Conway', with a stylized flourish at the end.

Simon Conway
Secretary

THERA EAST
(A company limited by guarantee)

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

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

We have audited the financial statements of Thera East for the year ended 31 March 2016, 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

THERA EAST
(A company limited by guarantee)

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

Directors' 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.

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.

THERA EAST
(A company limited by guarantee)

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

This page explains how the Auditors check the accounts.
--

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 and the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

THERA EAST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THERA EAST

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.

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 2016 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 and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THERA EAST
(A company limited by guarantee)

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

**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.**

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a full strategic report.

THERA EAST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THERA EAST

PKF Cooper Parry Group Limited
Joseph Bates FCA DChA

for and on behalf of

PKF Cooper Parry Group Limited

Statutory Auditors
No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

Date: 6 September 2016

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 PKF Cooper Parry Group Limited 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 2016

What we have earned and what we have spent: **£**

Money we got in	11,505,562
What we spent on our staff	(9,145,747)
Other money we spent	<u>(1,653,982)</u>
What is left over for this company	705,833
Contribution made to Thera Trust	<u>(705,833)</u>
What is left over from the year	<u><u>-</u></u>

What Thera East has at 31 March 2016: **£**

How much cash we had in the bank	8,561
What we are owed by others	1,783,092
What we owe to other Thera companies	(1,248,940)
What we owe to others	<u>(542,713)</u>
Final amount the company had at 31 March 2016	<u><u>-</u></u>

THERA EAST
(A company limited by guarantee)
STATEMENT OF INCOME AND RETAINED EARNINGS
for the year ended 31 March 2016

	Note	2016 £	2015 £
TURNOVER	3	11,505,562	11,042,855
Direct costs		(9,571,585)	(9,086,352)
GROSS SURPLUS		1,933,977	1,956,503
Administration expenses		(1,950,018)	(1,956,503)
OPERATING RESULT		(16,041)	-
Interest receivable		16,041	-
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXATION	4	-	-
Tax on result from ordinary activities		-	-
RESULT FOR THE FINANCIAL YEAR		-	-
Retained earnings at the beginning of the year		-	-
Result for the year		-	-
Retained earnings at the end of the year		-	-

All amounts relate to continuing operations.

There was no other comprehensive income for 2016 (2015: £Nil).

The notes on pages 35 to 44 form part of these financial statements.

THERA EAST
(A company limited by guarantee)

BALANCE SHEET

as at 31 March 2015
COMPANY REGISTRATION NUMBER 06795987

		2016		2015	
	Note	£	£	£	£
CURRENT ASSETS					
Debtors	7	1,783,092		1,634,201	
Cash at bank and in hand		8,561		88,568	
		<u>1,791,653</u>		<u>1,722,769</u>	
CREDITORS: amounts falling due within one year	9	<u>(542,713)</u>		<u>(821,067)</u>	
NET CURRENT ASSETS			1,248,940		901,702
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,248,940</u>		<u>901,702</u>
CREDITORS: amounts falling due after more than one year	10		<u>(1,248,940)</u>		<u>(901,702)</u>
NET ASSETS			<u>-</u>		<u>-</u>
RESERVES					
Income and expenditure account			<u>-</u>		<u>-</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 September 2016.



Jonathan Cheyette
Director



Jennifer Garrigan
Director

The notes on pages 35 to 44 form part of these financial statements

THERA EAST
(A company limited by guarantee)
STATEMENT OF CASH FLOWS
for the year ended 31 March 2016

	Notes	2016 £	2015 £
Cash flow from operating activities	14	(96,198)	6,528
		<hr/>	<hr/>
Net cash flow from operating activities		(96,198)	6,528
		<hr/>	<hr/>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	-
		<hr/>	<hr/>
Net cash flow from investing activities		-	
		<hr/>	<hr/>
Cash flow from financing activities			
Receipts from issue of new loans		-	-
Repayment of long term loans		-	-
Loan interest paid		-	-
Interest received		16,041	-
		<hr/>	<hr/>
Net cash flow from financing activities		16,041	-
		<hr/>	<hr/>
Net increase / (decrease) in cash and cash equivalents		(80,157)	6,528
Cash and cash equivalents at 1 April 2015		88,568	82,040
		<hr/>	<hr/>
Cash and cash equivalents at 31 March 2016		8,411	88,568
		<hr/>	<hr/>
Cash and cash equivalents consists of:			
Cast at bank and in hand		8,561	88,568
Bank overdraft		(150)	-
		<hr/>	<hr/>
Cash and cash equivalents at 31 March 2016		8,411	88,568
		<hr/>	<hr/>

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

1 ACCOUNTING POLICIES

1.1 GENERAL INFORMATION AND BASIS OF PREPARATION

Thera East is a Company Limited by Guarantee incorporated and domiciled in the United Kingdom. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the company information on page 3 of these financial statements.

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. The transition is not considered to have a material effect on the financial statements and no adjustments were necessary to restate the financial statements previously presented under UK GAAP, including the balance sheet at 1 April 2015 and the financial statements as at and for the year ended 31 March 2015.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for a period of 52 weeks ended 31 March 2016 (2015: 52 weeks ended 31 March 2015).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 TURNOVER

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable.

Revenue from a contract to provide support services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.3 TAXATION

Irrecoverable VAT

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

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

1.4 OPERATING LEASES

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

1.5 PENSIONS

Tera East participates in The Pensions Trust Ethical Fund 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.

1.6 DEBTORS AND CREDITORS RECEIVABLE / PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.7 LOANS AND BORROWINGS

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

1.8 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

1.9 FINANCIAL INSTRUMENTS

The company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans from related parties. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

1.10 PARENT CHARITY AND FINANCIAL SUPPORT

An Intra-Group Agreement exists between Thera Trust and its trading subsidiaries. This Intra-Group Agreement incorporates a Funding Agreement which allows Thera Group companies to benefit from the movement of funds around the Group. Each trading subsidiary, other than The Camden Society, Equal Futures, Aspire Living Limited, Ansar Projects Limited and Uemploy Limited, has acceded to this Intra-Group Agreement with Board approval. In addition to this, Thera 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. From 1 April 2015, a market rate interest has been charged on balances between group companies.

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have made the following judgements:

Leases

The company determines whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Impairment of other assets

The company reviews the carrying value of all other assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

**2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)**

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

3 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.

4 OPERATING RESULT

The operating result is stated after charging:

	2016	2015
	£	£
Operating leases – motor vehicles	4,722	5,940
Operating leases – other	-	1,440
Charitable donations	705,833	642,755
	<hr/>	<hr/>

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

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

5 EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	8,473,447	7,960,435
Social security costs	594,786	573,659
Pension costs	72,514	111,310
	<hr/>	<hr/>
	9,140,747	8,645,404
	<hr/>	<hr/>

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

	2016	2015
	No	No
Direct and relief support work	549	511
Management and administration	9	9
	<hr/>	<hr/>
	558	520
	<hr/>	<hr/>

The total of employee benefits received by key management personnel is £80,383 (2015: £80,130). The company considers its key management personnel comprises the Managing Director and the Service Quality Director.

6 DIRECTORS' REMUNERATION

	2016	2015
	£	£
Directors' remuneration	79,582	79,631
Company contributions to pension schemes	801	498
	<hr/>	<hr/>
	80,383	80,130
	<hr/>	<hr/>

During the year retirement benefits were accruing to 2 directors (2015: 2) in respect of the pension schemes.

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

7 DEBTORS

	2016	2015
	£	£
Trade debtors	980,849	1,126,051
Other debtors	2,958	16,786
Prepayments and accrued income	799,285	491,364
	<hr/>	<hr/>
	1,783,092	1,634,201
	<hr/>	<hr/>

8 CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank and in hand	8,561	88,568
Bank overdraft	(150)	-
	<hr/>	<hr/>
	8,411	88,568
	<hr/>	<hr/>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdraft	150	-
Trade creditors	4,879	16,782
Social security and other taxes	135,181	172,494
Other creditors	34,603	105,588
Accruals and deferred income	367,900	526,203
	<hr/>	<hr/>
	542,713	821,067
	<hr/>	<hr/>

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Amount due to group undertakings	1,248,940	901,702
	<u> </u>	<u> </u>

11 FINANCIAL INSTRUMENTS

The carrying amounts of the charity's financial instruments are as follows:

	2016	2015
	£	£
Financial assets		
Debt instruments measured at amortised cost:		
Trade debtors	980,849	1,126,051
Other debtors and prepayments	802,243	508,151
	<u> </u>	<u> </u>
	1,783,092	1,634,202
	<u> </u>	<u> </u>

	2016	2015
	£	£
Financial liabilities		
Measured at amortised cost:		
Trade creditors	4,879	16,782
Amounts owed to group undertakings	1,248,940	901,702
Other creditors, accruals and deferred income	402,503	631,792
	<u> </u>	<u> </u>
	1,656,322	1,550,276
	<u> </u>	<u> </u>

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

12 RESERVES

Income and expenditure account

This reserve includes all current and prior period retained profits and losses.

13 PENSION COMMITMENTS

Pensions Trust Ethical Fund

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 £60,426 (2015: £54,076). The amount outstanding in respect of this Scheme at the year-end was £12,934 (2015: £11,346).

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, as set out below. The pension charge for the year in respect of this Scheme was £12,088 (2014: £57,234). The amount outstanding at the year end was £6,639 (2015: £6,572).

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

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. They are 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, each 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 that 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 (FReM) requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

a) Accounting Valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2016, is based on valuation data as at 31 March 2015, updated to 31 March 2016 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.

THERA EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

13 PENSION COMMITMENTS (continued)

NHS Pension Scheme (continued)

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.

b) 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.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

14 Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2016	2015
	£	£
Net incoming/(outgoing) resources	-	-
(Increase)/Decrease in debtors	(148,891)	14,479
Increase/(Decrease) in creditors	68,734	(7,951)
Interest received	(16,041)	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(96,198)	6,528
	<hr/>	<hr/>

15 RELATED PARTY TRANSACTIONS

In line with the exemption conferred by section 33.11(b) of FRS 102, 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 2016

16 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.

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

Thera 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.