

THERA EAST

Registered No: 06795987

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017



THERA EAST
(A company limited by guarantee)

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INTRODUCTION

**These papers tell readers what the company has been doing
between April 2016 and March 2017.**

**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 Auditor – Sayer Vincent LLP.

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

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COMPANY INFORMATION

DIRECTORS

Jonathan Cheyette

Jennifer Garrigan

Tracey Grimbley

Graham Skidmore

Ian Thurgood

SECRETARY

Simon Conway

COMPANY NUMBER

06795987

REGISTERED OFFICE

134 Edmund Street
Birmingham
B3 2ES

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COMPANY INFORMATION

AUDITOR

Sayer Vincent LLP
Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

BANKERS

Barclays Bank PLC
43 High Street
Sutton
Surrey
SM1 1DR

SOLICITORS

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

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DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2017

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

The directors are pleased to present their report and financial statements for the year ended 31 March 2017.

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:

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DIRECTORS' AND STRATEGIC REPORT
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- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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.

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DIRECTORS' AND STRATEGIC REPORT
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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 (resigned 16 March 2017)

Jennifer Garrigan

Tracey Grimbley (appointed 4 September 2017)

Catherine Moriarty (resigned 2 September 2016)

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Graham Skidmore

Nigel Smith (resigned 26 March 2017)

Ian Thurgood (appointed 22 August 2016)

Conrad Warwick (resigned 29 January 2017)

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

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DIRECTORS' AND STRATEGIC REPORT
for the year ended 31 March 2017

Directors and Strategic Report¹



Chairman's Report

"Thera East continues to provide high quality care and support for people with a learning disability, adhering strongly to the ethos of its parent company. In this set of accounts you can explore the numbers that describe our operational successes but I want to go beyond that briefly to pay tribute to all of the organisation's staff.

As with many not for profit organisations, Thera East faces a number of both ongoing and fresh challenges. In particular we have to balance prudent use of funds with our aim to maintain exceptionally high levels of care and support. We also have to look to the longer-term future, offering consistency and stability of support to all those we support. Our staff play a fundamental role in that aim and I am sure all of the Board join me in saying "thank you" to them.

We continue to learn and adapt to new circumstances. Staff development is high on our list of priorities and we work with others to investigate ways of raising standards of support. We are fortunate to have the guiding principles and support of our parent organisation, Thera Trust. Uniquely, its Quality Company regularly audits our

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.

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performance, with Quality Assessors who have a lived experience of a learning disability.

In the coming year we plan to strengthen our board by adding new non-executive directors who can add broader experience to our own sector-specific expertise. I would like to thank Sir Ronald de Witt for his wise and perceptive leadership of the Board over the past year. I feel privileged to be involved in Thera East and look forward with confidence to the challenges of the coming year”.

Ian Thurgood
Chairman

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important

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.

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support

Thera East Supports People with a Learning Disability

“As of 31 March 2017, Thera East was providing support to 268 people with a learning disability (272 in 2015/16). 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.

Despite ongoing challenges within the health and social care sector generally, I am proud to report that Thera East has continued positively to support people to lead great lives. The stories below give a flavour of this, but it is in no small part due to the ongoing dedication, commitment and hard work of our superb staff teams. I am consistently impressed by the diligence of our staff and of their ability always to put the person first to ensure everyone gets the very best support.

It was particularly gratifying when earlier in the year our positive approach to supporting people, as well as the culture and ethos of Thera East, were externally recognised when we won the national ‘Driving Up Quality’ Award in the category ‘Making a Real Difference in the Organisation’s Culture’. Such an accolade is a true reflection of the impact our positive support has on so many people and it makes us very proud that we can make such a difference in people’s lives.

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It is also important to acknowledge another measure of our success following our regulatory inspection which was carried out by the Care Quality Commission and for which we were rated overall as a 'Good' provider. The report showed how much people and their families valued our staff teams and we are grateful for all the very complimentary comments that were made.

Our AGM was another resounding success and this year we were able to formally report to our Company Members who then voted on some important organisational decisions. Afterwards we were then able to join over 300 people who came together to celebrate some of our successes and achievements. This made for an enjoyable and entertaining evening, which was punctuated by an accomplished solo rendition of a beautiful song by someone we support. A more poignant statement of self-confidence and independence there could not have been!

We now look forward to building on our successes and 'Our Plan' provides us with the framework to collaborate with people, their families, staff teams and other professionals to create the best opportunities for people to live the lives they choose."

Jon Cheyette
Managing Director

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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.

“Louise” loves Disney and likes to watch all the films and sing along to their soundtracks. Over the past months “Louise” has been planning a holiday to Euro Disney in Paris. “Louise” is so excited about going and will come back with so many new happy memories.

Since “Paul” moved into his home, he has wanted to decorate his bedroom and make his own mark on it. “Paul” wanted a bedroom based on his idol - James Bond (007). “Paul” chose to have his walls painted, new bedding purchased and his new flooring laid in a range of grey shades, black and white. “Paul” now feels he is sleeping in a room James Bond would be envious of and is so proud of it. He takes pleasure in showing it off to all his visitors.

“Steve” was really pleased to get his first passport and book his first foreign holiday to Spain. He has learned to save in the process and manage his money independently.

“Mark” has learned many new skills in the kitchen and can now cook a large variety of meals and cakes with support. He is looking forward to taking these skills with him when he moves into his own house.

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"Kelly" was supported to fill in her PIP forms by her Team Co-ordinator and as a result has had agreement to order a Motability vehicle which should arrive any day. "Kelly" loves going out and enjoys socialising and a vehicle will make this far easier for her and give her more flexibility.

"Danny" asked a member of staff "how were they feeling today". "Danny's" mum was delighted, as due to his Autism he rarely starts a conversation.

"Sophie" has moved recently and is really enjoying living in her new bungalow, in particular, sharing with someone else.

"Paula" has been supported and encouraged by her staff team to eat more healthily and she is very happy that she has lost a stone in weight.

"Andrew" moved into his new house just over a year ago. Since moving in, he has been going shopping, bowling, to church and has gone back to Gateway Club which he hadn't attended for 12 years. Although "Andrew's" parents visit him twice a week, since moving in he has taken delivery of his own Motability car which enables him to visit his parents more often. A few months after moving in, "Andrew" was contacted by Social Services to inform him that he has a half-sister who he had no idea about. "Andrew" has since met his half-sister a couple of times and has been out with staff to meet her for lunch. "Andrew" is constantly telling the staff team and his parents how happy he is.

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“John” has made brilliant progress starting his new exercise routine at a local gym. He can now use the machines that strengthen his leg muscles and he can move 80kg on his own.

Staff and people we support at the A-Head Club in Bury have a Hollywood Ball in the summer and “David” is using his woodworking skills to make the Oscar statues that will be given out as prizes on the night.



After many years of feeling anxious about travelling in any form of vehicle, “Peter” was supported to experience travelling by bus, train and car with the dedicated and ongoing support of his staff team. With his new found confidence, “Peter” has developed his ability to get involved in his local community by going in a car to local shops and also managed travelling by train to a nearby town to watch a pantomime.

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It was a really proud moment for "Max" when he got a job as Events Co-ordinator. "Max" is starting to arrange coffee mornings in the local community and hopes to organise other fundraising events locally over the coming months.

"Matthew" lives with his parents and is visited four times each week by our Community Support team. Previously "Matthew" spent long periods of time staying in his bed. However, over the last year that we have been supporting "Matthew", he is spending more time in his lounge or, in nice weather, sitting outside in the garden. "Matthew" has also recently been supported to go into town to visit the shops or park and have a cup of coffee in the local café. "Matthew" has really benefitted from becoming more active and really enjoys the things he is doing.

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manage

People with a Learning Disability Help Manage Thera East

People who are supported by Thera East have a lot of influence on how the 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; People also have an opportunity to become 'company members' of Thera East and can vote 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.

We are looking for more Non-Executive Directors to join our Thera Board.

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

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."

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when I've made suggestions about continued improvement and development of support to people.

We continue to use Iplanit. 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 has 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 Thera's Dolphins Den project 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 company membership in Thera East. At the end of 2015, all new members got together for a training day and learnt about what company membership was in more detail. Our Annual General Meeting was held in December, 2016, which was very successful and a great event that everyone enjoyed. I continue to encourage people to become a member of Thera East, talking to people about the benefits of membership and sending information to people outlining what membership is about.

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I have fridge magnets and letters sent out to people supported so that they know who I am and how they can contact me if they need anything. During the year, I visited as many people as possible and attended lots of different groups so that I could share important information”.

Graham Skidmore
Service Quality Director



Thera East Employs Good Staff

At the end of the year, Thera East employed around 563 people (2015/16 - 562), 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

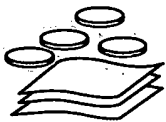
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and social inclusion across all our activities and our recruitment process ensures that all applicants have equal opportunity.

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.

The Employee Consultative Councils are the formal mechanism for ensuring that Thera delivers on its philosophy of involvement in relation 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 2016-17 was £12.0m (2015-16 £11.5m).

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risk

Managing Thera East's Risk

Key risks which are inherent in the nature of our work include the abuse or neglect of vulnerable people, a failure to comply with CQC Fundamental Standards or other regulatory requirements or a failure to realise Thera's Vision.

The social care market in which Thera East operates continues to experience significant funding challenges as commissioners attempt to reconcile increasing demand within a tighter funding environment. Although limitations are expected to continue, this has so far had limited impact on Thera East's activities. Thera East supports people with a learning disability in the main who have a substantial and critical assessed need. Accordingly, these individuals are at a much lower risk of having their support reduced because of funding challenges, with local authorities and commissioners prioritising this area of spending to date.

Like all care and support service providers, Thera East is exposed to a range of external factors that may put pressure on continuing the provision of care and support to a person with a learning disability. However, the specialist area of the market in which Thera East works benefits from much lower levels of this pressure, as it is in both the commissioning body and the individual's long term interests to maintain continuity of support, particularly of the high quality that Thera East provides.

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The sector also faces challenges and risks in relation to employment law. The National Living Wage (NLW) was introduced on 1st April 2016 and this increased further from 1st April, 2017. A range of regulatory and employment law matters relating to the introduction of the NLW continue to present liability and employment risks to the sector and to individual organisations within it (Note 15). As this is such an uncertain area at present, Thera East may be required to change its current arrangements at additional cost in the future.

Thera East may face risk from damage to key relationships with local authorities, the loss of key leadership and management or risk from litigation, financial or pension matters.

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.

The directors have assessed and monitored the major risks to which Thera East may be exposed through a risk management strategy. Other than those sector risks outlined above, there have been no material strategic changes within the organisation that are perceived to expose the organisation to additional material risk.

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

The Board continues to monitor the external regulatory, funding and employment law environment closely. Directors are satisfied that systems are in place to minimise the incidence and impact of risks to the extent to which these are in the control of Thera East.

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

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DIRECTORS' AND STRATEGIC REPORT

for the year ended 31 March 2017

This section asks Company Members to agree that the Auditor Sayer Vincent LLP, be chosen as the company's Auditor.

APPOINTMENT AND RE-APPOINTMENT OF AUDITOR

During the year, Sayer Vincent LLP was appointed as auditor of the company. In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Sayer Vincent LLP as auditor of the Company.

This Directors' and Strategic Report was approved by the board on 1 December 2017 and signed on its behalf.



Simon Conway

Secretary

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THERA EAST

This page explains that the Auditor is 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

We have audited the financial statements of Thera East (the 'company') for the year ended 31 March 2017 which comprise the income and expenditure account, balance sheet, statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THERA EAST**

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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OTHER INFORMATION

The other information comprises the information included in the Directors' and Strategic Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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**This section explains that the Auditor must tell us if they are unhappy
with how the directors managed the company.**

**The Audit report says that there is nothing bad the Auditor wishes to
report to Company Members.**

**OPINIONS ON OTHER MATTERS PRESCRIBED BY THE
COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Directors' and Strategic Report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY
EXCEPTION**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' and Strategic Report.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, set out in the Directors' and Strategic report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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Director's responsibilities are explained on page 29.
This page explains that it is the Auditor's responsibility to audit (check)
the accounts as the law says they should.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE
FINANCIAL STATEMENTS**

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 audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THERA EAST**

| |
|--|
| This page explains how the Auditor checks the accounts. |
|--|

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

THERA EAST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THERA EAST**

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



Jonathan Orchard (Senior statutory auditor)

21 December 2017

**for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL**

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 Auditor.

The law does not say we must provide this information, but Sayer Vincent LLP say 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 2017

What we have earned and what we have spent: £

| | |
|------------------------------------|--------------------|
| Money we got in | 11,977,629 |
| What we spent on our staff | (9,273,827) |
| Other money we spent | <u>(1,784,694)</u> |
| What is left over for this company | 919,108 |
| Contribution made to Thera Trust | <u>(919,108)</u> |
| What is left over from the year | <u><u>-</u></u> |

What Thera East has at 31 March 2017: £

| | |
|---|------------------|
| How much cash we had in the bank | 13,971 |
| What we are owed by others | 1,876,118 |
| What we owe to other Thera companies | (1,235,258) |
| What we owe to others | <u>(654,831)</u> |
| Final amount the company had at 31 March 2017 | <u><u>-</u></u> |

THERA EAST
(A company limited by guarantee)
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2017

| | Note | 2017 Total £ | 2016 Total £ |
|---|------|--------------------|--------------------|
| Turnover | 3 | 11,994,464 | 11,505,562 |
| Direct costs | | (9,712,977) | (9,571,585) |
| Gross surplus | | 2,281,487 | 1,933,977 |
| Administrative expenses | | (2,314,652) | (1,950,018) |
| Operating result | 4 | (33,165) | (16,041) |
| Interest receivable and similar income | | 33,165 | 16,041 |
| Result from ordinary activities before taxation | | - | - |
| Taxation on result on ordinary activities | 7 | - | - |
| Result for the financial year | | - | - |
| Retained earnings at the beginning of the year 1 April 2016 | | - | - |
| Retained earnings at the end of the year 31 March 2017 | | - | - |

The above Income and Expenditure Account is the equivalent of the Statement of Comprehensive Income.

All of the above results are derived from continuing activities (and includes all comprehensive income). There were no other recognised gains or losses beyond those stated above. All movements in reserves are included within the statement above.


THERA EAST
(A company limited by guarantee)

BALANCE SHEET
as at 31 March 2017

COMPANY REGISTRATION NUMBER 06795987

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|------------------|------------------|------------------|------------------|
| Current assets: | | | | | |
| Debtors | 8 | 1,876,118 | | 1,783,092 | |
| Cash at bank and in hand | 9 | 13,971 | | 8,561 | |
| | | <u>1,890,089</u> | | <u>1,791,653</u> | |
| Current liabilities: | | | | | |
| Creditors falling due within one year | 10 | (654,831) | | (542,713) | |
| Net current assets | | | <u>1,235,258</u> | | <u>1,248,940</u> |
| Total assets less current liabilities | | | <u>1,235,258</u> | | <u>1,248,940</u> |
| Long term liabilities: | | | | | |
| Creditors falling due after more than one year | 11 | (1,235,258) | | (1,248,940) | |
| Net assets | | | <u><u>-</u></u> | | <u><u>-</u></u> |
| Reserves | | | | | |
| Income and expenditure account | | | <u>-</u> | | <u>-</u> |
| Total reserves | | | <u><u>-</u></u> | | <u><u>-</u></u> |

The financial statements were approved and authorised for issue by the board and signed on its behalf on 1 December 2017


Ian Thurgood
Director


Jennifer Garrigan
Director

THERA EAST
(A company limited by guarantee)
STATEMENT OF CASH FLOWS
for the year ended 31 March 2017

| | Note | 2017 Total £ | 2016 Total £ |
|---|------|--------------------|--------------------|
| Net cash generated from operating activities | 14 | (27,605) | (96,198) |
| Cash flows from financing activities: | | | |
| Interest received | | 33,166 | 16,041 |
| Net cash used in financing activities | | 5,560 | 16,041 |
| Net increase/(decrease) in cash and cash equivalents | | 5,560 | (80,157) |
| Cash and cash equivalents at the beginning of year | | 8,411 | 88,568 |
| Cash and cash equivalents at the end of year | 9 | 13,971 | 8,411 |

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

1 Accounting policies

a) Statutory information

Thera East is a company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 134 Edmund Street, Birmingham, B3 2ES. The operating address is The West House, Alpha Court, Swingbridge Road, Grantham, NG31 7XT. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

b) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 31 March 2017 (2016: year ended 31 March 2016).

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.

c) Going concern

The directors consider that there are no material uncertainties about the company's ability to continue as a going concern.

d) Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company 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
- The costs incurred and the costs to complete the contract can be measured reliably

e) Taxation

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

f) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

1 Accounting policies (continued)

g) Pensions

Thera 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.

Thera 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.

h) 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.

i) 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.

j) 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.

k) 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.

l) Parent charity and financial support

An Intra-Group Agreement exists between Thera Trust and fourteen of its 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 subsidiary, other than The Camden Society, Equal Futures and Ansar Projects Limited, has acceded to this Intra-Group Agreement with Board approval. In addition to this, Thera Trust and its 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. A market rate interest has been charged on balances between group companies.

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

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 delegated to management the authority to make the following judgements:

Group financial support

The directors of all of the subsidiaries within the Thera Group that have acceded to the Intra-Group Agreement as referred to above, have received assurance from the board of Thera Trust that adequate financing is in place to meet the group's financing needs and this has enabled the directors to confirm that management can prepare the accounts on a going concern basis.

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.

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 income and expenditure 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.

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

4 Operating result

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| The result for the year is stated after charging: | | |
| Charitable donations | 919,108 | 705,833 |
| Auditor's remuneration | 9,000 | 10,500 |
| | <u>928,108</u> | <u>716,333</u> |

Auditors' remuneration for the group is disclosed in full in the parent charitable company and is recharged to the subsidiary as part of the overall recharge of the group's management and administration costs.

5 Employees

Staff costs (including directors' remuneration) during the year were as follows:

| | 2017 £ | 2016 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 8,586,716 | 8,473,447 |
| Social security costs | 613,092 | 594,786 |
| Pension costs: | | |
| Defined benefit | 9,462 | 12,088 |
| Defined contribution | 64,557 | 60,426 |
| | <u>9,273,827</u> | <u>9,140,747</u> |

The pension contributions shown above differ slightly from those disclosed within the detailed pension note below as the figures above take into account recharges within the Thera Group whereas the detailed note below are the amounts relating directly to the employees of Thera East in each scheme.

The average monthly number of employees (including directors) during the year was as follows:

| | 2017 Number | 2016 Number |
|--------------------------------|----------------|----------------|
| Direct and relief support work | 551 | 549 |
| Management and administration | 9 | 9 |
| | <u>560</u> | <u>558</u> |

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

6 Directors' remuneration

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Directors' remuneration | 83,490 | 83,067 |
| Company contributions to pension schemes | 951 | 801 |
| | <u>84,441</u> | <u>83,868</u> |

During the year retirement benefits were accruing to 2 directors (2016: 2) in respect of the pension schemes.

The total of employee benefits (including employer's pension contributions and employer's national insurance) received by key management personnel is £93,173 (2016: £89,126). The company considers its key management personnel comprises the Managing Director and the Service Quality Director.

7 Taxation

| | 2017 £ | 2016 £ |
|---------------------------------------|-----------|-----------|
| UK corporation tax at 20% (2016: 20%) | - | - |
| | <u>-</u> | <u>-</u> |

8 Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 1,016,254 | 980,849 |
| Other debtors | 45,914 | 2,958 |
| Prepayments and accrued income | 813,950 | 799,285 |
| | <u>1,876,118</u> | <u>1,783,092</u> |

All of the company's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in notes 10 and 11 below.

9 Cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------------------|---------------|--------------|
| Cash at bank and in hand | 13,971 | 8,561 |
| Overdraft | - | (150) |
| | <u>13,971</u> | <u>8,411</u> |

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

10 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------|----------------|----------------|
| Bank overdraft | - | 150 |
| Trade creditors | 35,134 | 4,879 |
| Taxation and social security | 146,014 | 135,181 |
| Other creditors | 264,628 | 34,603 |
| Accruals and deferred income | 209,055 | 367,900 |
| | 654,831 | 542,713 |

The bank overdraft is secured by a fixed and floating charge over the undertaking and all property assets present and future across the companies included within the group overdraft facility.

11 Creditors: amounts falling due after one year

| | 2017 £ | 2016 £ |
|-----------------------------------|------------------|------------------|
| Amounts due to group undertakings | 1,235,258 | 1,248,940 |
| | 1,235,258 | 1,248,940 |

The repayment period for the amounts owed to group undertakings is disclosed in the accounting policy called Parent charity and financial support.

12 Pension commitments

Pensions Trust Ethical Fund

Tera 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 £64,486 (2016: £60,426). The amount outstanding in respect of this Scheme at the year-end was £17,274 (2016: £12,934).

NHS Pension Scheme

For some employees, who have previously worked in the NHS, Tera 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 £46,140 (2016: £12,088). The amount outstanding at the year end was £5,342 (2016: £6,639).

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.

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

12 Pension commitments (continued)

NHS Pension Scheme (continued)

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.

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.

13 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 2017

14 Reconciliation of net income / (expenditure) to net cash flow from operating activities

| | 2017 £ | 2016 £ |
|--|-----------------|-----------------|
| Net income / (expenditure) for the reporting period (as per the income and expenditure account) | - | - |
| Interest receivable | (33,165) | (16,041) |
| (Increase)/decrease in debtors | (93,026) | (148,891) |
| Increase/(decrease) in creditors | 98,586 | 68,734 |
| Net cash provided by / (used in) operating activities | (27,605) | (96,198) |

15 Contingent liability

In common with many organisations in the sector, Thera East has been invited to join the Social Care Compliance Scheme in relation to the national minimum wage review by HMRC. Thera East has taken legal advice on this matter and the directors are satisfied with current contractual and policy arrangements. There has been no specific adverse finding in relation to Thera East's past practice and given the wider uncertainty in this area, and having taken legal advice, the directors do not consider a liability at the current time to be probable and therefore no provision is made in the 2017 financial statements in relation to this matter and in the absence of any adverse finding under the Scheme or otherwise, it is not possible to quantify any contingent liability.

16 Ultimate parent undertaking and controlling party

Thera East's ultimate parent company is Thera Trust, a charitable company limited by guarantee (company number 3593418) and registered in England and Wales (charity number 1090163). Thera Trust is ultimately controlled by the board of trustees.

Copies of the consolidated Thera Trust financial statements are available from the Charity Commission. The company donates available profits to its parent undertaking.