

THERA EAST

Registered No: 06795987

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019



THERA EAST
(A company limited by guarantee)

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INTRODUCTION

**These papers tell readers what the company has been doing
between April 2018 and March 2019.**

**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

Sally Carpenter

Jennifer Garrigan

Tracey Grimbley

Brenda McLoughlin

Graham Skidmore

Ian Thurgood

Neil Yeomans (Chairman)

SECRETARY

Tarnya Thompson

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 2019

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, 2019.

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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- 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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PRINCIPAL ACTIVITIES

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

DIRECTORS

The directors who served during the year, or subsequent to the year-end, were:

Sally Carpenter

Jonathan Cheyette (resigned 30 June, 2018)

Jennifer Garrigan

Tracey Grimbley

Brenda McLoughlin (appointed 25 May, 2018)

Graham Skidmore

Ian Thurgood

Neil Yeomans (appointed 25 June, 2018)

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 2019

Directors and Strategic Report¹



chairman

Chairman's Report

"I am delighted to present the 2018-19 annual report and accounts for Thera East. This report and accounts help to describe what we are good at, why we choose to do it in the way that we do and how we can build and improve on the excellent levels of support that we already provide. They also set out and explain our financial performance.

We receive feedback from a number of different sources on the quality of support which we provide. Whilst the majority of this is positive and constructive, there will always be areas in which we can help improve the quality of life enjoyed by those who we support and striving to make these improvements is at the heart of what we do. In doing this our emphasis is on planning to do this alongside and with the people whom we support rather than doing for them or to them.

I would like to say "thank you" to all of our staff for their effort and commitment throughout the year and also for the skills and experience which they contribute to the support which we provide. It was very pleasing to be able to recognise those who had made exceptional contributions at our Celebration Event in September 2018.

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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It is also important to recognise the critical contribution of Thera Trust, our parent company. As well as providing our central support functions, they are a source of invaluable advice and guidance and act as guardians of the organisation's vision and philosophy.

During 2019-20, we will be preparing a 3 year plan which will build a series of detailed actions based on Thera's philosophy to demonstrate the abilities of people with a learning disability and to ensure their control of, and involvement in, Thera. This will be a comprehensive exercise in which we will talk to all of our different stakeholder groups to ensure that all of their views are represented.

To support this, it is our intention to further strengthen the Board by recruiting new Non-Executive Directors with "lived experience" of a learning disability and also to expand the membership of Thera East.

This is my first report as Chairman of Thera East and I would like to acknowledge the invaluable contribution of my predecessor, Ian Thurgood who, I am pleased to say, has agreed to stay on as a member of the board. I am proud to be the Chairman of Thera East and I look forward to working with all of our stakeholders to ensure that everything we do is "person-centric" and driven by those with a learning disability whom we support".

Neil Yeomans
Chairman

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What is Important for Thera East

Thera East is part of the Thera charitable group of companies. 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, 2019, Thera East was providing support to 264 people with a learning disability (259 as at 31 March, 2018). Most of this work is intensive 24 hour support for people with complex support needs in their own homes. As part of our work, Thera East supports people to become actively engaged in their local community. This can include supporting people to have a job, to go to college and to pursue leisure and recreational opportunities. In all that we do, we aim to break down barriers to integration and ensure people are positively supported to be involved as active citizens.

I started as Managing Director for Thera East on 25 May, 2018. The job has been extremely rewarding and challenging in equal measure. I have been out and about, meeting as many of the people we support as possible, which is what I enjoy most.

This year we continued to strengthen our governance arrangements and were very pleased to welcome Neil Yeomans onto the Board. Neil has since been appointed Chair. I would like to thank Ian Thurgood, former Chair, for his time, input and dedication to the role. I am delighted that Ian continues to remain as a non-executive director. Over the coming months we aim to recruit at least one more non-executive director with a learning disability and for company members to recruit an Independent Director onto the Board to represent them.

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I am also pleased to report that Tracey Grimbley has taken on the role of Chair of our Employee Consultative Council and Sally Carpenter as Chair of our Health and Safety Committee. Both of these meetings are very well attended, interactive and a vital link/information source for staff. The new Chairs are a valuable asset.

We are fortunate to have a committed Board who have a genuine interest in the work and performance of Thera East.

This year we held a celebration event at Essex Outdoors, Mersea before the formal AGM. This event was an outstanding success and over 250 people we support and staff attended. The day included activities such as archery, climbing wall, zip wire (all fully accessible) with lunch, and evening BBQ and disco! Alongside the celebration event, we held a staff awards ceremony which was positively received by all.

The formal AGM was held with the Thera East Board and our company members, so that important issues could be voted on and decisions could be made.

We have updated Our Plan with input from people we support and their families, staff and Employee Consultative Council members, directors and Commissioners from local authorities who contract with us. Our Plan focuses on Thera East being the provider of choice for the people we support and for Commissioners as well as the employer of choice for staff in the areas in which we work. Within Our Plan we aim for people to

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receive person-centred active support and we promote personalisation, human rights, equality and inclusion.

We continue to focus on people being supported to choose where they live and who they live with and we endeavour to identify properties that inhibit ordinary living and help them to move in to more suitable accommodation. I look forward to working with my colleagues over the forthcoming year and Thera East continuing to provide the very best support possible.

All of our Operational Managers have become Care Quality Commission Registered Managers. They are committed to complying with the responsibility that comes with the role.

We were delighted to see some very positive feedback from our annual staff survey. We have used the information in a positive way and our Operational Managers have developed an action plan to ensure we address the contents of the survey.

We continue to support people to be as independent as possible and to lead the lives they want to live. We have had a great track record of helping people to achieve their goals and this year was no different. To demonstrate this I have included the good news stories below. I am proud that we have teams of staff whose ongoing commitment and dedication makes it possible for people to lead great lives.

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We are looking forward to being even more successful in providing the best support for people with a learning disability. Our Plan for the year will focus on great support for people as well as celebrating our dedicated staff teams. We will continue to create opportunities, promote independence and help people to live as they choose.

My first year as Managing Director has been a busy one; the highlights of which were meeting the fantastic people we support and their amazing support teams, without whom none of Thera's vision could be achieved".

Brenda McLoughlin
Managing Director

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Stories!



story

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.

“Mark” has now been taken off all medication and his weight continues to drop. He is now 76 kg. When we started to support “Mark” 2 years ago in 2016 he was 108 kg. “Mark” has Prader Willi syndrome which makes this even more impressive. He is now walking further and playing some sports. He has said he would like to try riding a bike now he has lost weight. He is more outgoing and has gone from being a young man of 24 who would walk with his head down and hardly speak, to a chatterbox wanting to spend time with people at home and meet people in his local community.

“John” has continued to spend time with his family and has reduced his medication on the recommendation of his psychiatrist. By the end of July, he will no longer be taking any medication at all. “John” is a very private person and this reduction of medication has had a very positive impact and he now wants to explore and try new activities.

Following recent eye surgery, “Emma” is doing really well. She is getting out and about more and has much more confidence and even went on holiday. Before the surgery, “Emma” spent most of her time at home due to her lack of vision that severely impacted her confidence.

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"Michael" has expressed an interest in working for the Council as a voluntary litter picker. He is someone who always asks to help out and will be supplied with all of the Personal Protective Equipment that he needs by the Council.

"Steve" used to watch one of his housemates draw at the kitchen table. He wanted to do some drawing himself. He started to draw pictures on a pad which he seemed to really enjoy and then got hold of some drawing equipment which he could use when he wanted to. "Steve" will now sit in the kitchen or garden and doodle away.

"Josh" has been having showers without support or even prompts from his staff. This is a big deal for him as he was frightened of water and showering when he first moved in to his house.

"Ben" has been supported to plan and arrange for a raised planting bed for his garden. He really enjoys gardening, but due to reduced mobility, he struggles to achieve this. The customised planter will enable him to carry on doing what he is passionate about whilst using his wheelchair in a seated position.

"Alan" has been supported to gain access to his inheritance and has arranged for a hot tub company to come and install a hot tub. He is very excited about having a hot tub to enjoy in his beautiful garden.

"Carl" has always shown an interest in cooking and helped prepare the vegetables for Sunday lunch. He enjoyed doing that and wanted to do more, so he enrolled on his second cooking course in college. "Carl" now makes

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cakes for his housemates to enjoy. He attends college once a week, where he makes a large variety of dishes such as soda bread and jam compote.

A young lady we support had lost complete confidence in her ability to access the community without support from staff. Staff arranged appointments with Occupational Therapist facilitators and over a period of time have managed to help build her confidence by way of introduction to a new mobility scooter. This young lady now has a new lease of life and is regularly seen out and about without staff supporting her.

"Daniel" has just got 2 pet rats! He named them Sweetpea and Brownie. He had a long discussion and did a lot of research before getting his pets and he has been enjoying their company, feeding them and cleaning them out every Wednesday. "Daniel" had always wanted rats as he thought they were cute and clever.

"David" went out into town using a taxi. The next day he had the biggest grin on his face and he looked really happy and content. This is a huge milestone for "David" as he hasn't been out in a public taxi for a long time due to his physical and mental health and recovering from an accident which left him immobile and he had often refused to leave his room.

"Callum" finally went to see Mrs Brown's Boys, which he has been wanting to book for many years. "Callum" requires wheelchair access and each time he had tried to previously book, these spaces were limited and had already been booked.

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"Rachel" has moved into her new house and, despite being a bit homesick at first, is now relaxed and loving everything that she does and making lots of new friends.

"Robert" has started seeing his biological father after a gap of 23 years. His father left when he was a baby, but a member of his family made contact with "Robert" on social media and he's now back in touch with a whole side of his family that he didn't even know existed. "Robert" is very happy about this and now regularly goes out to dinner with his father.



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.

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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"The year of 2018-2019 has been very positive. I have worked well with my new Managing Director, Brenda.

Bridie continues to support me as my Executive Assistant. We have new board members and a new chairman; we all work well together as a team.

We 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. I continue to share information about Thera and any other information that will help people supported to live their best lives.

We celebrated Thera's 20th anniversary at Mersea Island outdoor centre which people supported, staff and family really enjoyed. We plan to go back this year.

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. I have been encouraging staff to print off the Iplanit person centred plans and create visual plans as well.

Over the last year, the local employment group has created an employment book to help people to plan for paid or unpaid employment. We have also

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completed a short video summary about the book that will be available on the Thera website very soon. 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 Dolphin's 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. An example of this is that we have helped someone into a paid position running a Being Heard coffee morning with a job role of an "Events Co-ordinator". We have also set up a beach hut which is due to open soon where the Events Co-ordinator could take on extra work.

We have active company membership in Thera East. Our Annual General Meeting was held in December, 2018, 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. Our marketing team are currently updating our membership promotional material for us to share to encourage more people to become company members.

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 hear from them and share important information.

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Being Heard (our advocacy strategy) has developed. We helped an art class create a community map and set up a successful coffee morning and invited outside advocacy, The Quality Company, and Keep Safe to share information with people we support and the local communities. We visit the Being heard art classes, coffee mornings and clubs letting people know the dates in advance so they know they can come and see us on a set day and time.

We check The Quality Company's quality assessments against the annual schedule and we work closely with Leanda from The Quality Company to get a summary of how the quality assessments are going throughout the year".

Graham Skidmore
Service Quality Director

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Thera East Employs Good Staff

During the year, Thera East employed up to 593 people (2017-18 - 583), the majority of whom are support workers and many are supported to work flexibly around their own lifestyles.

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. It is our policy to:

- ✓ give full and fair consideration of applications of employment made by disabled persons, having regard to their particular aptitudes and abilities;
- ✓ continuing the employment of, and arranging training for employees who have become disabled persons while employed; and otherwise

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for the training, career development and promotion of disabled persons

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.



We have achieved the status of a Disability Confident Employer, which recognises that our systems and processes are adapted to encourage recruitment of staff with a disability and supporting them at work.



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 2018-19 was £12.5m (2017-18 £12.3m).

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The surplus for the year was £355k (2017-18 £485k). The Directors determined that the reduced surplus made during the year would be contributed to Thera Trust as a donation under gift-aid.



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

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and the individual's long term interests to maintain continuity of support, particularly of the high quality that Thera East provides.

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.

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.

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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

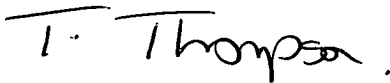
for the year ended 31 March 2019

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

RE-APPOINTMENT OF AUDITOR

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the re-appointment of Sayer Vincent LLP as auditor of the Company.

This Directors' and Strategic Report was approved by the board on 24th September 2019 and signed on its behalf.



Tarnya Thompson
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 2019 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 2019 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
THERA EAST**

**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
THERA EAST**

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
THERA EAST**

Director's responsibilities are explained on page 31.
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**

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.

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

This page explains how the Auditor checks the accounts.
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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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- 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

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

USE OF OUR REPORT

This report is made solely to the 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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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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.

Jonathan Orchard (Senior statutory auditor)

18 December 2019

**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

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SUMMARY OF MONEY

For the year ended 31 March 2019

What we have earned and what we have spent:	£
Money we got in	12,537,231
What we spent on our staff	(9,826,008)
Other money we spent	<u>(2,355,800)</u>
What is left over for this company	355,423
Contribution made to Thera Trust	<u>(355,423)</u>
What is left over from the year	<u><u>-</u></u>

What Thera East has at 31 March 2019:	£
How much cash we had in the bank	6,968
What we are owed by others	2,348,594
What we owe to other Thera companies	(518,514)
What we owe to others	<u>(1,837,048)</u>
Final amount the company had at 31 March 2019	<u><u>-</u></u>

THERA EAST
(A company limited by guarantee)
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2019

	Note	2019 Total £	2018 Total £
Turnover	3	12,502,376	12,269,441
Direct costs		(10,396,686)	(10,038,433)
Gross surplus		2,105,690	2,231,008
Administrative expenses		(1,785,122)	(1,787,431)
Operating result	4	320,568	443,577
Interest receivable on intra-group borrowing		34,855	40,946
Result from ordinary activities before taxation		355,423	484,523
Taxation on result on ordinary activities	7	-	-
Total comprehensive income		355,423	484,523
Retained earnings			
Retained earnings at the beginning of the year		-	-
Total comprehensive income for the financial year		355,423	484,523
Gift aid distribution to parent charity		(355,423)	(484,523)
Retained earnings at the end of the year		-	-

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

All of the above activities relate to continuing operations.

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BALANCE SHEET

as at 31 March 2019

COMPANY REGISTRATION NUMBER 06795987

	Note	£	2019 £	2018 £
Current assets:				
Debtors	8	2,348,594	1,490,808	
Cash at bank and in hand		6,968	6,937	
		<u>2,355,562</u>	<u>1,497,745</u>	
Current liabilities:				
Creditors falling due within one year	10	(518,514)	(417,986)	
Net current assets			<u>1,837,048</u>	<u>1,079,759</u>
Total assets less current liabilities			<u>1,837,048</u>	<u>1,079,759</u>
Long term liabilities:				
Creditors falling due after more than one year	11	(1,837,048)	(1,079,759)	
Net assets			<u><u>-</u></u>	<u><u>-</u></u>
Reserves				
Retained earnings			<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 24 September 2019


Neil Yeomans
 Director


Jennifer Garrigan
 Director

THERA EAST
(A company limited by guarantee)
STATEMENT OF CASH FLOWS
for the year ended 31 March 2019

	Note	2019 Total £	2018 Total £
Net cash generated from / (used in) operating activities	14	(43,115)	(47,980)
Cash flows from financing activities:			
Interest received		34,855	40,946
Net cash provided by financing activities		34,855	40,946
Net increase/(decrease) in cash and cash equivalents		(8,260)	(7,034)
Cash and cash equivalents at the beginning of year		6,937	13,971
Cash and cash equivalents at the end of year	9	(1,323)	6,937

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

1 Accounting policies

a) Statutory information

THERA East is a company limited by guarantee and is incorporated in the United Kingdom (England and Wales). 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' September 2015), 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 2019 (2018: year ended 31 March 2018).

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.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1 Accounting policies (continued)

f) 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.

g) 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.

h) 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.

i) 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.

j) Parent charity and financial support

An Intra-Group Agreement exists between Tera Trust and twenty six of its subsidiaries. This Intra-Group Agreement incorporates a Funding Agreement which allows Tera Group companies to benefit from the movement of funds around the Group. Each subsidiary, other than The Camden Society, Equal Futures and Tera Limited, has acceded to this Intra-Group Agreement with Board approval. In addition to this, Tera 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 of interest has been charged on balances between group companies.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The directors of the company make 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:

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

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.

4 Operating result

	2019 £	2018 £
The result for the year is stated after charging:		
Auditor's remuneration - audit	9,680	9,500
- other services	1,940	1,900
	<hr/> <hr/>	<hr/> <hr/>

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.

THERA EAST
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

5 Employees

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

	2019 £	2018 £
Wages and salaries	9,060,884	8,839,776
Social security costs	640,278	633,862
Pension costs:		
Defined benefit	4,741	4,410
Defined contribution	120,105	66,346
	9,826,008	9,544,394

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) on a head count basis during the year was as follows:

	2019 Number	2018 Number
Direct and relief support work	557	548
Management and administration	9	9
	566	557

6 Directors' remuneration

	2019 £	2018 £
Directors' remuneration	86,987	85,298
Company contributions to pension schemes	2,207	959
	89,194	86,257

During the year retirement benefits were accruing to 3 directors (2018: 2) in respect of defined contribution pension schemes.

The total of employee benefits (including employer's pension contributions and employer's national insurance) received by key management personnel is £98,549, (2018: £95,235). The company considers its key management personnel comprises the Managing Director and the Service Quality Director.

THERA EAST
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

7 Taxation

	2019 £	2018 £
UK corporation tax at 19% (2018: 19%)	-	-

All of the profits are paid to the parent charity as a Gift Aid distribution and a corresponding tax credit is recorded at the point of distribution. Therefore, the corporation tax charge for the year is nil (2018: nil).

Factors affecting the tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

Result from ordinary activities before tax	355,423	484,523
Result from ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	67,530	92,059
Effects of:		
Tax credit from gift aid distribution	(67,530)	(92,059)
Total tax charge for the year	-	-

8 Debtors

	2019 £	2018 £
Trade debtors	192,849	212,582
Other debtors	47,574	68,405
Prepayments and accrued income	2,108,171	1,209,821
	2,348,594	1,490,808

9 Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	6,968	6,937
Overdraft	(8,291)	-
	(1,323)	6,937

THERA EAST

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank overdraft	8,291	-
Trade creditors	15,844	33,908
Taxation and social security	148,810	150,369
Other creditors	112,381	33,648
Accruals and deferred income	233,188	200,061
	518,514	417,986

Tera East is part of the group overdraft facility with Barclays (£1.5m) which is secured by a Group bank account-offset cross guarantee, a cross guarantee and debenture creating fixed and floating charges over the assets of several Group companies, and a floating charge over the assets of Tera (Scotland).

11 Creditors: amounts falling due after one year

	2019 £	2018 £
Amounts due to group undertakings	1,837,048	1,079,759
	1,837,048	1,079,759

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 £120,104 (2018: £66,346). The amount outstanding in respect of this Scheme at the year-end was £469 (2018: £892).

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 £32,865 (2018: £44,502). The amount outstanding at the year end was £nil (2018: £nil).

Past and present employees are covered by the provisions of the two NHS Pensions Schemes. Details of the benefits payable and 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.

THERA EAST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

12 Pension commitments (continued)

NHS Pension Scheme (continued)

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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as at 31 March 2018, updated as at 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. 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 schemes (taking into account its recent demographic experience), and to recommend the contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

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.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

	2019 £	2018 £
Net income / (expenditure) for the reporting period (as per the income and expenditure account)	355,423	484,523
Gift aid distribution to parent charity	(355,423)	(484,523)
Interest receivable	(34,855)	(40,946)
(Increase)/decrease in debtors	(857,786)	385,310
Increase/(decrease) in creditors	849,527	(392,344)
Net cash provided by / (used in) operating activities	(43,115)	(47,980)

15 Contingent liability

As with many other organisations in the sector, Thera East took part during the year in the Social Care Compliance Scheme in relation to the national minimum wage review by HMRC, from which there have been no adverse findings. Following a ruling by the Court of Appeal, Thera East took legal advice on this matter and the directors remain satisfied that current contractual and policy arrangements continue to comply with all relevant regulations as currently interpreted. The directors do not therefore believe it appropriate to make any provision in the 2019 financial statements in relation to this matter. Similarly, whilst the matter generally may be subject to further legal or regulatory rulings in the future, in the absence of any specific adverse finding and as there are no current specific challenges to Thera East's past practice, it is not possible to quantify any contingent liability relating to this matter.

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 distributes available profits to its parent undertaking.