

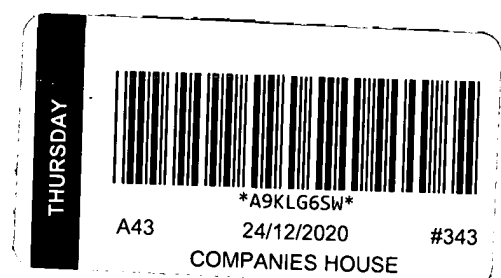
**THERA EAST**

**Registered No: 06795987**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2020**



**THERA EAST**  
**(A company limited by guarantee)**

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**INTRODUCTION**

**These papers tell readers what the company has been doing  
between April 2019 and March 2020.**

**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

Dries De Coster

Louise Duffield

Jennifer Garrigan

Brenda McLoughlin

Graham Skidmore

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 2020**

**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, 2020.

**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**  
**for the year ended 31 March 2020**

- 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**  
**for the year ended 31 March 2020**

**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

Dries De Coster (appointed 4 September, 2020)

Jennifer Garrigan

Tracey Grimbley (resigned 10 November, 2019)

Brenda McLoughlin

Graham Skidmore

Ian Thurgood (resigned 21 August, 2020)

Neil Yeomans

Louise Duffield (appointed 17 September 2020)

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 2020**

**Directors and Strategic Report<sup>1</sup>**



**Chairman's Report**

chairman

"I am delighted to present the 2019-20 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.

From many different perspectives the past year has been eventful to say the least and, at the time of writing, we are in a fast-changing environment which is presenting us with new challenges every day. I am proud to say that, as an organisation, we are rising to these challenges.

We have recently launched our 3 Year strategy – and thank you for everyone who participated in its creation. It focuses on 3 themes – Connecting People, Improving Lives and Building Futures which, themselves, are built on Thera's Vision. I hope that everyone is looking forward to playing their part in implementing it.

We have had a number of notable successes during the year which I would like briefly to mention – these include supporting people to leave long-stay hospitals, assisting people in accessing employment and reducing psychotropic medication for a number of people whom we support. We also achieved a "Good" rating from the Care Quality Commission.

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<sup>1</sup> 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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**DIRECTORS' AND STRATEGIC REPORT**  
**for the year ended 31 March 2020**

This year, more than any other, 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. Their dedication and professionalism in dealing with the challenges posed by Covid-19 in particular have been exceptional and have shown Thera East at its best.

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.

We have taken some good initial steps to expand Thera East's company membership and continue to look to further strengthen the Board by recruiting additional non-executive directors, including at least one with “lived experience” of a learning disability.

During the year, Tracey Grimbley resigned from the board, having served as a non-executive director for 2 years. After the year end, Ian Thurgood also left the board at the end of his 4 year term of office. I would like to put on record my thanks to both of them for their contribution over their time with us.

I am proud to be the Chairman of Thera East and to be working with such a dedicated and motivated team who put the interests of those we support first”.

**Neil Yeomans**  
**Chairman**

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**DIRECTORS' AND STRATEGIC REPORT**  
**for the year ended 31 March 2020**



**What is Important for Thera East<sup>2</sup>**

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.

---

<sup>2</sup> Thera Trust<sup>2</sup> 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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**for the year ended 31 March 2020**



support

**Thera East Supports People with a Learning Disability**

"As of 31 March, 2020, Thera East was providing support to 236 people with a learning disability (264 as at 31 March, 2019). Most of the work is intensive 24-hour support for people with complex support needs in their own homes.

The number of people supported reduced this year because of the closure of Stonecroft short break service, following subsidence under the local authority owned building.

The health and social care sector is not without challenge, particularly around workforce resilience but, despite this, Thera East has continued to positively support people to lead the lives they choose and this is in no small way due to the commitment and dedication of our diligent support teams.

Thera East has a core belief in community-based support. We believe that everyone should have the opportunity to live in their own home, make choices, build relationships and become active participants in their local community.

Following a CQC inspection this year, we were delighted to be rated "Good" across each of the 5 key areas of inspection. We received compliments from the Inspector on the support we provide. In particular, she was impressed with how we have continued to evolve and improve since her last inspection. A further measure of our success is the praise we have received from both Essex and Suffolk local authorities, who have expressed a wish to work with Thera East on specific projects. Essex awarded a contract asking Thera East to

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**DIRECTORS' AND STRATEGIC REPORT**  
**for the year ended 31 March 2020**

support two gentlemen under the transforming care programme moving out of hospital into their new home. Suffolk have asked us to provide support for young people over the age of 18 who are moving in to their first house. We are very excited that both projects will come to fruition in the new financial year, after the relaxation of Covid-19 restrictions.

For the second year running, we held a celebration event at Essex Outdoors, Mersea, in advance of the formal Annual General Meeting ("AGM"). Along with a day of accessible activities, a barbecue and disco, we held our staff awards for our most outstanding employees. For the first year we handed out achievement awards for people we support who had made a remarkable accomplishment. The formal AGM was held some months later with Thera East's Board and our company members in attendance.

We currently have 4 non-executive directors on our Board. We aim to recruit more in the coming year including a non-executive director who has a lived experience of learning disability. Our Board is both committed to, and interested in, the work that we do.

This year, we started work on a three-year strategy that will run from 2020 to 2023 and will provide the basis for Our Plan for each of the next 3 years. The three strands within the strategy are: Connecting People, Improving Lives, Building Futures. We asked for input from various groups of stakeholders and, in particular, we received useful and positive feedback from stakeholder surveys, before we finalised our long-term strategy that we can deliver through robust annual plans. We will focus on supporting people to be more

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**for the year ended 31 March 2020**

independent and less reliant on social funding. We will promote choice, healthy living and access to employment and enterprise opportunities. We will embrace person centred active support and be advocates for equality and inclusion. We will pay particular attention to workforce resilience and employee retention.

We will also continue to address our long-term aim of supporting people to choose where they live and in particular, help them to deal with situations where their house inhibits ordinary living.

This year we have welcomed two new Operational Managers to replace two who moved on to pastures new. Our operational team are proud to deliver Thera's Vision. I look forward to another year of working with them and with the Thera East Board to ensure we deliver Our Plan for next year and support people to be their best."

**Brenda McLoughlin**  
**Managing Director**

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**for the year ended 31 March 2020**



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.

“Ben” is proud to have started to eat independently after years of needing help with feeding. His support team have worked hard to support him to re-learn this forgotten skill, using new ergonomic utensils.

“Callum” was feeling very proud of himself because he has accepted a part time paid job. His support team supported and guided Callum to write a CV, apply for work and attend interviews.

After discussions with his support team, “John” was supported to speak to his GP about a reduction in mood-changing medication. He has been feeling more independent and more confident since his medication was reduced.

“Michael” has developed a new confidence since moving into his new home. His sister has thanked us for helping him to move from the family home, where he lived with his elderly mother; she said she could see we had brought joy into his life.

“Mark” attended a course to train as a DJ. He learned the bus route to the course venue and has been accessing the community independently for the first time. “Mark” very much enjoyed the DJ course and was very proud to display his new talent at a show!

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### **DIRECTORS' AND STRATEGIC REPORT**

**for the year ended 31 March 2020**

"Michelle", "Megan", "Alex" and "Kevin" went on holiday to Butlins together and they had a fantastic time. The four of them live in two different houses and are all supported by Thera East. Over the years they have become great friends and really enjoy sharing new experiences together.

After spending six years in a long stay institution, "Holly" is now living in the community with two to one staff support. She has been joining in with lots of activities and attending new clubs, which she wasn't able to do when she was in hospital. Her mum is delighted to see her daughter enjoying life.

With lots of support from his staff team, "Alan" has started speaking after years of selective mutism. When we first met "Alan" we were not aware he had been able to communicate verbally in the past. On learning this, the team set about finding ways to help "Alan" to speak again. He can now say "hello" followed by each staff member's name. He continues to try out other words and short sentences.

After months of planning, "Andy" and "Mick's" new, adapted bungalow is almost ready for them to move into. The two friends are looking forward to having no stairs to climb. They have chosen wallpaper for their new lounge and are choosing other décor and furnishings.

"Katie" has ordered a new car and is looking forward to it arriving so she can enjoy lots of outings.



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"Adam" has joined Aqua Springs and Bounceability. He loves both activities; they have given him a new lease of life and he is growing in confidence.

After several months of looking for voluntary work, "Millie" has found an unpaid post helping in a café. She is very excited! This will give her the confidence and experience she needs get a paid job in the future.

"Tommy" has wanted to lose weight for some time but found it hard to stick to a diet or exercise. His support team are now helping him to attend Slimming World on a weekly basis and so far, he has lost 7lb. He needs to lose another 6lb to reach his target weight loss, but he is determined to do it.

Staff supported "Kathy" to move into her new adapted bungalow. She is delighted with her new home and she settled in immediately.



**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 managed 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.

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**DIRECTORS' AND STRATEGIC REPORT**  
**for the year ended 31 March 2020**

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.

"The year of 2019-2020 has been very positive. I have worked well with our Managing Director, Brenda.

Bridie continues to support me as my Executive Assistant. We have a nice team on our Board who work well together. We are continuing to work on improving the structure and time keeping of the board meetings and to include me more in the discussions.

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.

The celebration day at Mersea Island outdoor centre was really enjoyed by people supported, staff and family. This year we celebrated people's achievements for both staff and people supported.

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

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**for the year ended 31 March 2020**

staff to print off the Iplanit person centred plans and create visual plans as well.

Over the last year, we have started to share the employment booklets with people and working more 1:1 with people to talk them through their plans. We have someone interested in working with horses on a farm and have been checking in with them to see how they are getting on.

We have also completed a short video on employment, but this needs to be edited, as someone we supported who featured in the video sadly passed away. As soon as we have an updated video, we will start to share this on the Thera website and through social media.

We continue to look at new ways of supporting people into employment. We have been attending the Thera Group-wide employment groups with Andrew Bright and we would like to learn particularly from what Aspire are doing and from Unity Works Social Enterprises.

We plan to work more closely with the people we support looking for voluntary or paid work on a 1:1 basis.

We have active company membership in Thera East. Our Annual General Meeting was held in December, 2019, which was very successful and a great event that everyone enjoyed. I continue to encourage people to become a company member of Thera East, talking to people about the benefits of membership and sending information to people outlining what

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membership is about. We often attend management team meetings to tell them about membership.

I have fridge magnets and letters sent out to people we support 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.

Being Heard (our advocacy strategy) has developed. We have been sharing a lot of the information on community mapping this year to help people understand the community that they live in and what advocacy is available to them. Information on The Quality Company, Keep Safe, Being Heard, Membership and lots of other helpful information is shared with the Being Heard Hubs. The Hubs are local places where people can go along and socialise with other people.

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.

This year we opened up the beach hut in Harwich which is wheelchair friendly. This is in a lovely spot along the seafront with a disabled toilet and shower facility within a stone's throw. We have fitted security bars and done extra fundraising to pay for these. We spent some days with people

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supported at the hut and other people we support rented the beach hut for the day”.

**Graham Skidmore**  
**Service Quality Director**

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staff

**Thera East Employs Good Staff**

During the year, Thera East employed 587 people (2018-19 - 593), 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;

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- ✓ continue the employment of and arrange training for employees who have become disabled persons while employed as well as the training, career development and promotion of disabled persons



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's Vision states "Thera will respect the rights and wishes of people at work, at home and in the community". This demonstrates an approach not only to people supported by the organisation, but also to members of staff and volunteers

Staff are able to engage formally with the organisation as company members alongside people supported and family members and by electing representatives to the company's Employee Consultative Council, a sub-committee of the Board, providing a direct line of communication between directors and the workforce

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

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its staff as well as meeting its obligations under Information and Consultation Regulations, 2004, for example in relation to changes to pay, terms and conditions. During the year, Thera East held 4 Employee Consultative Council meetings.



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 2019-20 was £13.1m (2018-19 £12.5m).

The surplus for the year was £496k (2018-19 £355k). The Directors determined that the increased 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



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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.

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.

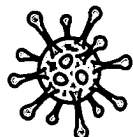
In addition, Thera East's Health and Safety Committee provides the formal mechanism for Thera jointly with staff safety representatives to fulfil their obligations under health and safety legislation and in line with the Group's Health and Safety Policy.

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### **DIRECTORS' AND STRATEGIC REPORT**

**for the year ended 31 March 2020**



COVID-19

#### *Covid-19*

The accounts to which this report relates are for the year ending 31st March, 2020, when the Government lockdown in relation to Covid-19 had been in place for a little over a week. At that point, Thera had already put in place policy and guidelines in line with legal and regulatory requirements. It had secured and ensured the availability of sufficient supplies of personal protective equipment and had identified and planned for the operational impact on each of its areas of activity.

Since the balance sheet date, a number of Thera's areas of work have needed to reduce in volume or to be suspended entirely. These include support to people in the community and in venues where people congregate. Instead, activities have been focussed on providing greater volumes of support to more people at home, with, in many cases, staff being re-deployed to undertake this work rather than being furloughed. Where activity levels have changed, income levels have been sustained ensuring medium term stability once lockdown eases and there has been no material impact since the balance sheet date on financial performance or working capital. Additional costs, for example on personal protective equipment, have been funded either in this way or with additional specifically targeted income.

The directors continue to ensure that they act in line with policy and guidance issued by Thera Trust, the parent company of Thera East, to

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review the specific risks relating to Thera East's work arising from Covid-19 and to respond accordingly as necessary.

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**DIRECTORS' AND STRATEGIC REPORT**  
**for the year ended 31 March 2020**

**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 2020**

**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 8 September 2020 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 2020 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 2020 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.

**THERA EAST**  
**(A company limited by guarantee)**

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

**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.



**THERA EAST**  
**(A company limited by guarantee)**

**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.

**THERA EAST**  
**(A company limited by guarantee)**

**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.

**THERA EAST**  
**(A company limited by guarantee)**

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

**Director's responsibilities are explained on page 4.**  
**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.

**THERA EAST**  
**(A company limited by guarantee)**

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

<b>This page explains how the Auditor checks the accounts.</b>
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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

**THERA EAST**  
**(A company limited by guarantee)**

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

- 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

**THERA EAST**  
**(A company limited by guarantee)**

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

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)**

**16 December 2020**

**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 2020**

<b>What we have earned and what we have spent:</b>	<b>£</b>
Money we got in	13,172,961
What we spent on our staff	(9,953,793)
Other money we spent	<u>(2,723,441)</u>
What is left over for this company	495,727
Contribution made to Thera Trust	<u>(495,727)</u>
What is left over from the year	<u><u>-</u></u>

<b>What Thera East has at 31 March 2020:</b>	<b>£</b>
How much cash we had in the bank	7,270
What we are owed by others	2,709,595
What we owe to other Thera companies	(2,097,702)
What we owe to others	<u>(619,163)</u>
Final amount the company had at 31 March 2020	<u><u>-</u></u>

**THERA EAST**  
**(A company limited by guarantee)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 March 2020**

	Note	2020 Total £	2019 Total £
Turnover	3	13,148,802	12,502,376
Direct costs		(10,756,789)	(10,396,686)
<b>Gross surplus</b>		<b>2,392,013</b>	<b>2,105,690</b>
Administrative expenses		(1,920,445)	(1,785,122)
<b>Operating result</b>	4	<b>471,568</b>	<b>320,568</b>
Interest receivable on intra-group borrowing		24,159	34,855
<b>Result from ordinary activities before taxation</b>		<b>495,727</b>	<b>355,423</b>
Taxation on result on ordinary activities	7	-	-
<b>Total comprehensive income</b>		<b>495,727</b>	<b>355,423</b>
<b>Retained earnings</b>			
Retained earnings at the beginning of the year		-	-
Total comprehensive income for the financial year		495,727	355,423
Gift aid distribution to parent charity		(495,727)	(355,423)
<b>Retained earnings at the end of the year</b>		<b>-</b>	<b>-</b>

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.



**THERA EAST**  
(A company limited by guarantee)

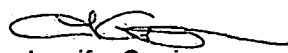
**BALANCE SHEET**  
**as at 31 March 2020**

COMPANY REGISTRATION NUMBER 06795987

	Note	£	2020 £	2019 £
<b>Current assets:</b>				
Debtors	8	2,709,595	2,348,594	
Cash at bank and in hand		7,270	6,968	
		<u>2,716,865</u>	<u>2,355,562</u>	
<b>Current liabilities:</b>				
Creditors falling due within one year	10	(1,114,890)	(518,514)	
<b>Net current assets</b>			<u>1,601,975</u>	<u>1,837,048</u>
<b>Total assets less current liabilities</b>			<u>1,601,975</u>	<u>1,837,048</u>
<b>Long term liabilities:</b>				
Creditors falling due after more than one year	11	(1,601,975)	(1,837,048)	
<b>Net assets</b>			<u><u>-</u></u>	<u><u>-</u></u>
<b>Reserves</b>				
Retained earnings			<u>-</u>	<u>-</u>
<b>Total reserves</b>			<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 8 September 2020.

  
Neil Yeomans  
Director

  
Jennifer Garrigan  
Director

**THERA EAST**  
**(A company limited by guarantee)**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 March 2020**

	Note	2020 Total £	2019 Total £
<b>Cash flows from operating activities</b>	14	<b>(36,763)</b>	<b>(43,115)</b>
<b>Cash flows from financing activities:</b>			
Interest received		<b>24,159</b>	<b>34,855</b>
<b>Net cash provided by financing activities</b>		<b>24,159</b>	<b>34,855</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(12,604)</b>	<b>(8,260)</b>
Cash and cash equivalents at the beginning of year		<b>(1,323)</b>	<b>6,937</b>
<b>Cash and cash equivalents at the end of year</b>	9	<b>(13,927)</b>	<b>(1,323)</b>

**THERA EAST**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**1 Accounting policies**

**a) Statutory information**

Tera 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' March 2018), 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 2020 (2019: year ended 31 March 2019).

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.

# **THERA EAST**

**(A company limited by guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

### **1 Accounting policies (continued)**

#### **f) 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.*

#### **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 THERA TRUST and twenty seven 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 THERA 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 to balances arising from operational activities and gift aid. 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:*

**THERA EAST**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**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**

	2020	2019
	£	£
The result for the year is stated after charging:		
Auditor's remuneration - audit	9,900	9,680
- other services	1,980	1,940

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 2020**

**5 Employees**

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

	2020 £	2019 £
Wages and salaries	9,122,857	9,060,884
Social security costs	654,966	640,278
Pension costs:		
Defined benefit	5,768	4,741
Defined contribution	170,202	120,105
	<u>9,953,793</u>	<u>9,826,008</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) on a head count basis during the year was as follows:

	2020 Number	2019 Number
Direct and relief support work	551	557
Management and administration	10	9
	<u>561</u>	<u>566</u>

**6 Directors' remuneration**

	2020 £	2019 £
Directors' remuneration	84,238	86,987
Company contributions to pension schemes	2,528	2,207
	<u>86,766</u>	<u>89,194</u>

During the year retirement benefits were accruing to 2 directors (2019: 3) 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 £96,009, (2019: £98,549). The company considers its key management personnel comprises the Managing Director and the Service Quality Director.

**THERA EAST**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**7 Taxation**

	2020 £	2019 £
UK corporation tax at 19% (2019: 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 (2019: nil).

**Factors affecting the tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

Result from ordinary activities before tax	495,727	355,423
Result from ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	94,188	67,530
Effects of:		
Tax credit from gift aid distribution	(94,188)	(67,530)
<b>Total tax charge for the year</b>	-	-

**8 Debtors**

	2020 £	2019 £
Trade debtors	1,166,772	192,849
Other debtors	86,905	47,574
Prepayments and accrued income	1,455,918	2,108,171
	2,709,595	2,348,594

**9 Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	7,270	6,968
Overdraft	(21,197)	(8,291)
	(13,927)	(1,323)

**THERA EAST**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**10 Creditors: amounts falling due within one year**

	2020 £	2019 £
Amounts due to group undertakings	495,727	-
Bank overdraft	21,197	8,291
Trade creditors	51,031	15,844
Taxation and social security	175,657	148,810
Other creditors	97,754	112,381
Accruals and deferred income	273,524	233,188
	<b>1,114,890</b>	<b>518,514</b>

Thera 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 Thera (Scotland).

**11 Creditors: amounts falling due after one year**

	2020 £	2019 £
Amounts due to group undertakings	1,601,975	1,837,048
	<b>1,601,975</b>	<b>1,837,048</b>

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**

THERA East participates in The Pensions Trust Ethical Fund, which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £170,202 (2019: £120,104). The amount outstanding in respect of this Scheme at the year-end was £1,265 (2019: £469).

**NHS Pension Scheme**

For some employees, who have previously worked in the NHS, Thera East also participates in the NHS Pension Scheme, which is a defined benefit scheme. Contributions to this scheme, which are charged against net income, are set by the Government Actuary, as set out below. The pension charge for the year in respect of this Scheme was £24,256 (2019: £32,865). The amount outstanding at the year end was £nil (2019: £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](http://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 2020**

**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 (FRoM) 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 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FRoM 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 latest 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 to 20.6%, and the Scheme Regulations were amended accordingly.

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.

**THERA EAST**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**14 Reconciliation of net income to net cash flow from operating activities**

	2020 £	2019 £
<b>Net income for the reporting period (as per the income and expenditure account)</b>	<b>495,727</b>	<b>355,423</b>
Gift aid distribution to parent charity	(495,727)	(355,423)
Interest receivable	(24,159)	(34,855)
Increase in debtors	(361,001)	(857,786)
Increase in creditors	348,397	849,527
<b>Net cash used in operating activities</b>	<b>(36,763)</b>	<b>(43,115)</b>

**Changes in net debt**

	At 1 April 2019 £	Cash flows £	Other changes £	At 31 March 2020 £
Cash at bank and in hand	6,968	302	-	7,270
Overdraft facility repayable on demand	(8,291)	(12,906)	-	(21,197)
<b>Total cash and cash equivalents</b>	<b>(1,323)</b>	<b>(12,604)</b>	<b>-</b>	<b>(13,927)</b>

**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 2020 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.