

Registered number: 5566293

THERA EAST MIDLANDS
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2007

THERA EAST MIDLANDS
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS	Mrs K T Boyce-Dawson Mr S L Conway Miss G Shadlock Miss H C Frewin (appointed 17/05/2007)
SECRETARY	Mr S L Conway
COMPANY NUMBER	5566293
REGISTERED OFFICE	134 Edmund Street Birmingham B3 2ES
AUDITORS	Clement Keys Chartered Accountants & Registered Auditors 39/40 Calthorpe Road Edgbaston Birmingham B15 1TS
BANKERS	Barclays Bank PLC 5th Floor 17 Lansdowne Road Croydon Surrey CRO 2BX
SOLICITORS	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

THERA EAST MIDLANDS
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THERA EAST MIDLANDS
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DIRECTORS' REPORT
for the year ended 31 March 2007

The directors present their report and the financial statements for the year ended 31 March 2007.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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:

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

The directors are responsible for keeping proper accounting records that 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 1985. 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.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of supporting people with a learning disability in the East Midlands region.

The accounts have been prepared on a going concern basis, the validity of which depends upon the continuing financial support of its parent company, Thera Trust. The directors are satisfied that the going concern basis is still applicable as they believe the company will have sufficient resources to meet its future obligations as and when it falls due.

DIRECTORS

The directors who served during the year were:

Mrs K T Boyce-Dawson
Mr S L Conway
Miss G Shadlock
Miss H C Frewin (appointed 17/05/2007)

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

EMPLOYEE INVOLVEMENT

Thera has an established Employee Consultative Council structure across the Group. Employee Consultative Councils in each Thera company consider a range of matters relating to Thera's 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.

THERA EAST MIDLANDS
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DIRECTORS' REPORT
for the year ended 31 March 2007

DISABLED EMPLOYEES

People who are supported by Thera have a lot of influence on how their Thera 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; they can be members of their local Thera company; and they are consulted on a range of important issues for the organisation.

PROVISION OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

During the year Clarkson Hyde resigned as auditors and Clement Keys were appointed. In accordance with section 385 of the Companies Act 1985, a resolution proposing the reappointment of Clement Keys will be put to the Annual General Meeting.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 29 January 2008 and signed on its behalf.



Mr S L Conway
Secretary

THERA EAST MIDLANDS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA EAST MIDLANDS

We have audited the financial statements of Thera East Midlands for the year ended 31 March 2007 set out on pages 5 to 9. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

THERA EAST MIDLANDS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA EAST MIDLANDS

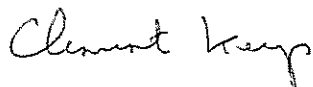
OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

Emphasis of matter - Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in the accounting policies section of the financial statements in relation to going concern. Thera East Midland is reliant on the financial support of its parent company, Thera Trust. We consider that this should be drawn to your attention but our opinion is not qualified in this respect.



CLEMENT KEYS

Chartered Accountants
Registered Auditors

39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

29 January 2008

THERA EAST MIDLANDS
(A company limited by guarantee)

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2007

	Note	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
TURNOVER	1	8,431,268	2,025,783
Direct costs		<u>(7,036,365)</u>	<u>(1,590,674)</u>
GROSS SURPLUS		1,394,903	435,109
Administrative expenses		(711,854)	(306,644)
Other operating income	2	403	-
Charitable donations		<u>(613,124)</u>	<u>(204,990)</u>
OPERATING SURPLUS/(DEFICIT)	3	70,328	(76,525)
Interest receivable		<u>6,586</u>	<u>227</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		76,914	(76,298)
Tax on surplus/(deficit) on ordinary activities		<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION	7	<u><u>76,914</u></u>	<u><u>(76,298)</u></u>

The notes on pages 7 to 9 form part of these financial statements.

THERA EAST MIDLANDS
(A company limited by guarantee)

BALANCE SHEET
as at 31 March 2007

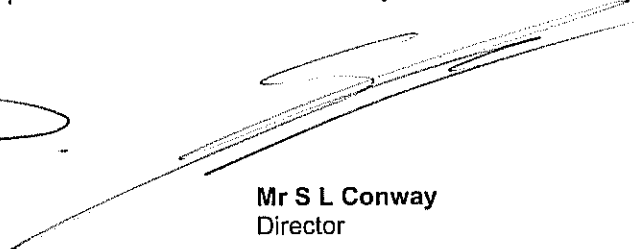
		2007		2006	
	Note	£	£	£	£
CURRENT ASSETS					
Debtors	5	1,209,536		621,964	
Cash at bank and in hand		725,463		382,003	
		1,934,999		1,003,967	
CREDITORS: amounts falling due within one year	6	(1,934,383)		(1,080,265)	
NET CURRENT ASSETS/(LIABILITIES)			616		(76,298)
TOTAL ASSETS LESS CURRENT LIABILITIES			616		(76,298)
CAPITAL AND RESERVES					
Income and expenditure account	7		616		(76,298)
			616		(76,298)

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 January 2008.



Mrs K T Boyce-Dawson
Director



Mr S L Conway
Director

The notes on pages 7 to 9 form part of these financial statements.

THERA EAST MIDLANDS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 CASH FLOW

The financial statements do not include a cash flow statement because Thera East Midlands as a smaller entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.3 TURNOVER

Turnover represents amounts receivable for support provided to people with a learning disability.

1.4 PENSIONS

Thera East Midlands participates in the Pension Trust's Unitised Ethical Money Purchase Plan, which is a defined contribution scheme for the benefit of its employees. Contributions are charged to the profit and loss account in the period in which they are payable.

1.5 GOING CONCERN

Thera East Midlands is dependant on the continued financial support of Thera Trust. The directors have used the going concern basis for the preparation of the financial statements as they believe Thera East Midlands will have sufficient resources to meet its future obligations as and when they fall due.

2. OTHER OPERATING INCOME

	31 March 2007 £	<i>Period ended 31 March 2006 £</i>
Other operating income	403	-

3. OPERATING SURPLUS/(DEFICIT)

The operating surplus/(deficit) is stated after charging:

	31 March 2007 £	<i>Period ended 31 March 2006 £</i>
Pension costs	202,656	51,973

THERA EAST MIDLANDS
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

4. DIRECTORS' REMUNERATION

	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
Remuneration and expenses	<u>75,073</u>	<u>17,079</u>

5. DEBTORS

	2007 £	2006 £
Trade debtors	295,308	524,408
Amounts owed by group undertakings	481,167	7,082
Other debtors	433,061	90,474
	<u>1,209,536</u>	<u>621,964</u>

**6. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade creditors	95,213	24,654
Provision for liabilities and charges	4,276	26,488
Amounts owed to group undertakings	635,535	10,537
Social security and other taxes	143,678	122,249
Other creditors	1,055,681	896,337
	<u>1,934,383</u>	<u>1,080,265</u>

7. RESERVES

	Income and expenditure account £
At 1 April 2006	(76,298)
Surplus for the year	76,914
	<u>616</u>
At 31 March 2007	<u>616</u>

THERA EAST MIDLANDS
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

8. PENSION COMMITMENTS

Thera East Midlands participates in the Pension Trust's Unitised Ethical Money Purchase Plan, which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £ 208,082 (2006 £51,973). The amounts prepaid at the year end were £25,284, outstanding at 31 March 2006 was £76,914.

9. RELATED PARTY TRANSACTIONS

Thera East Midlands has chosen not to disclose related party transactions between the group companies on the grounds that the company is included in the consolidated financial statements of Thera Trust.

This is in line with the exemption conferred by the Financial Reporting Standard for Smaller Entities (effective January 2005).

10. COMPARATIVES

Thera East Midlands was incorporated on 16 September 2005 and commenced trading on 1 January 2006. The comparative figures therefore reflect transactions for the period from 1 January 2006 to 31 March 2006.

11. COMPANY STATUS

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

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

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

THERA EAST MIDLANDS
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DETAILED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2007

	Page	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
Turnover	11	8,431,268	2,025,783
Direct costs	11	(7,036,365)	(1,590,674)
		<hr/>	<hr/>
Gross surplus		1,394,903	435,109
Gross profit %		16.5 %	21.5 %
Other operating income	11	403	-
		<hr/>	<hr/>
		1,395,306	435,109
Less: Overheads			
Administration expenses	12	(711,854)	(306,644)
Other operating charges	12	(613,124)	(204,990)
		<hr/>	<hr/>
Operating surplus/(deficit)		70,328	(76,525)
Interest receivable	12	6,586	227
		<hr/>	<hr/>
Surplus/(deficit) for the year		<u>76,914</u>	<u>(76,298)</u>

THERA EAST MIDLANDS
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SCHEDULE TO THE DETAILED ACCOUNTS
for the year ended 31 March 2007

	31 March 2007 £	<i>Period ended 31 March 2006 £</i>
Turnover		
Service income	7,956,583	1,969,229
TUPE income	464,531	-
Sundry income	10,154	56,554
	8,431,268	2,025,783
	8,431,268	2,025,783
	31 March 2007 £	<i>Period ended 31 March 2006 £</i>
Cost of sales		
Wages and salaries	6,085,525	1,402,810
Staff pension	202,655	48,461
Consultancy	12,640	-
Registration fee	24,057	5,766
Plant repairs	6,917	1,670
Light, heat and power	4,901	1,379
Household	35,097	13,028
Travelling	49,714	3,795
Postage	9,733	3,093
Telephone	32,535	5,629
Rent and rates	201,606	73,724
Recharge	1,046	303
Motor expenses	173,939	31,016
Corporate service fee	196,000	-
	7,036,365	1,590,674
	7,036,365	1,590,674
	31 March 2007 £	<i>Period ended 31 March 2006 £</i>
Other operating income		
Other operating income	403	-
	403	-

THERA EAST MIDLANDS
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SCHEDULE TO THE DETAILED ACCOUNTS
for the year ended 31 March 2007

	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
Administration expenses		
Directors salaries	68,209	17,079
Directors pension	6,042	-
Staff salaries	43,968	53,108
Staff pension costs	-	3,512
Hotels, travel and subsistence	40,431	2,967
Postage	3,249	664
Bank charges	63	(20)
Sundry expenses	-	153
Profit/loss on sale of tangible assets	-	(110)
Corporate service fee	546,000	229,291
Start up costs	3,892	-
	<u>711,854</u>	<u>306,644</u>
	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
Other operating charges		
Other operating charges	<u>613,124</u>	<u>204,990</u>
	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
Interest receivable		
Bank interest receivable	<u>6,586</u>	<u>227</u>