

Registered number: 5343088

THERA NORTH
(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2007

THERA NORTH
(A company limited by guarantee)

COMPANY INFORMATION

DIRECTORS

Mr R Broad (appointed 13/06/06)
Mr W B Carter (resigned 13/06/07)
Mr S L Conway
Mr G Jackson
Mrs L Swinfield - Wells (resigned 05/12/06)
Ms J Garrigan (resigned 13/06/06)
Ms F Richie (appointed 30/06/06 & resigned 01/10/06)
Mr A Bright (appointed 03/04/07)
L E O'Brien (appointed 29/06/07)
Mr D Hughes (appointed 29/06/07)

SECRETARY

MR S L Conway

COMPANY NUMBER

5343088

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
17 Lansdowne Road
Croyden
Surrey
CRO 2BX

SOLICITORS

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

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THERA NORTH
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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 principle activity of the company during the period was that of supporting people with a learning disability in the north of England.

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:

Mr R Broad (appointed 13/06/06)
Mr W B Carter (resigned 13/06/07)
Mr S L Conway
Mr G Jackson
Mrs L Swinfield - Wells (resigned 05/12/06)
Ms J Garrigan (resigned 13/06/06)
Ms F Richie (appointed 30/06/06 & resigned 01/10/06)
Mr A Bright (appointed 03/04/07)
L E O'Brien (appointed 29/06/07)
Mr D Hughes (appointed 29/06/07)

There were no directors' interests to disclose, as the company is limited by guarantee.

THERA NORTH
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DIRECTORS' REPORT
for the year ended 31 March 2007

MANAGING DIRECTORS REVIEW

What is Important for Thera

Following extensive consultation with people supported by Thera and staff, Thera's vision has been simplified and sets out clearly Thera's philosophy of control and involvement by the people it supports :

- 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

What Happened in 2006-07

Below are some examples of the work that Thera North has been doing during the year.

Thera North recruited the new Service Director. The Service Director is a person with a learning disability who is a senior manager and board member. He leads on inclusive quality monitoring, advocacy/being heard, communication and other inclusion opportunities.

The Quality Team was established in Thera North. This team is made up of people who have a learning disability who meet with people supported to help them check the quality of support. This is a core part of implementing Thera's vision for people to be leading in what we do.

As well as developing new supports in Cumbria, Thera North started supporting people in Lancashire. Thera North and the support team benefited greatly from the involvement of families in the development of these supports.

We heard exciting stories of people doing new things and being part of the community

- Moving from hospital settings to have own tenancy in the community
- Going on holidays for the first time
- Having their own home for the first time
- Doing new things at home and in the community
- Learning new skills at home that give greater control over their lives
- Meeting up with family and friends
- Making their own Christmas dinner for the first time

This is an exciting time for Thera North and we look forward to supporting people to have "a good life" and to work with local communities to develop opportunities for people to be part of community life, contribute and lead

Ralph Broad
Managing Director

THERA NORTH
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DIRECTORS' REPORT
for the year ended 31 March 2007

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 NORTH
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA NORTH

We have audited the financial statements of Thera North for the year ended 31 March 2007 set out on pages 6 to 10. 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 NORTH
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA NORTH

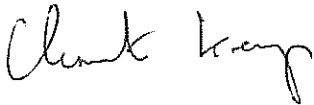
OPINION

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 deficit 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 North 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 NORTH
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INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2007

	Note	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
TURNOVER	1	616,253	246,463
Direct costs		<u>(626,539)</u>	<u>(256,304)</u>
GROSS DEFICIT		(10,286)	(9,841)
Administrative expenses		<u>(182,189)</u>	<u>(115,307)</u>
OPERATING DEFICIT	2	(192,475)	(125,148)
Interest receivable		<u>354</u>	<u>203</u>
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(192,121)	(124,945)
Tax on deficit on ordinary activities		<u>-</u>	<u>-</u>
DEFICIT ON ORDINARY ACTIVITIES AFTER TAXATION	6	<u><u>(192,121)</u></u>	<u><u>(124,945)</u></u>

The notes on pages 8 to 10 form part of these financial statements.

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BALANCE SHEET
as at 31 March 2007

	Note	2007		2006	
		£	£	£	£
CURRENT ASSETS					
Debtors	4	213,226		146,241	
Cash at bank		16,237		16,501	
		<u>229,463</u>		<u>162,742</u>	
CREDITORS: amounts falling due within one year					
	5	<u>(546,529)</u>		<u>(287,687)</u>	
NET CURRENT LIABILITIES			<u>(317,066)</u>		<u>(124,945)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(317,066)</u>		<u>(124,945)</u>
CAPITAL AND RESERVES					
Income and expenditure account	6		<u>(317,066)</u>		<u>(124,945)</u>
			<u>(317,066)</u>		<u>(124,945)</u>

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.


Mr R Broad
Director


Mr S L Conway
Director

The notes on pages 8 to 10 form part of these financial statements.

THERA NORTH
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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 North 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 North 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

As at 31 March 2007, Thera North had net liabilities of £317,066. Thera North is dependant on the continued financial support of Thera Trust. The directors have used the going concern basis for preparation of the financial statements as they believe Thera North will have sufficient resources to meet its future obligations as and when they fall due.

2. OPERATING DEFICIT

The operating deficit is stated after charging:

	31 March 2007	<i>Period ended 31 March 2006</i>
	£	£
Pension costs	<u>20,957</u>	<u>13,133</u>

3. DIRECTORS' REMUNERATION

	31 March 2007	<i>Period ended 31 March 2006</i>
	£	£
Remuneration and expenses	<u>48,800</u>	<u>12,000</u>

During the year retirement benefits were accruing to 1 director (2006 - 1) in respect of money purchase pension schemes.

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

4. DEBTORS

	2007	2006
	£	£
Trade debtors	165,136	107,910
Amounts owed by group undertakings	18	-
Other debtors	48,072	38,331
	213,226	146,241

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

	2007	2006
	£	£
Trade creditors	2,889	287
Amounts owed to group undertakings	488,468	267,533
Social security and other taxes	23,870	6,368
Other creditors	31,302	13,499
	546,529	287,687

6. RESERVES

	Income and expenditure account £
At 1 April 2006	(124,945)
Deficit for the year	(192,121)
	(317,066)

7. PENSION COMMITMENTS

Thera North 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 for the period amount to £ 112,349 (2006 - £11,480). The amounts outstanding at the year end were £8,307 (2006 £2,840).

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

8. RELATED PARTY TRANSACTIONS

Thera North has chosen not to disclose related party transactions between the group companies on the grounds that Thera North 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)

9. COMPARATIVES

Thera North was incorporated on 26 January 2005 and commenced trading on 1 April 2005. The comparative figures therefore reflect transactions for the period from 1 April 2005 to 31 March 2006.

10. COMPANY STATUS

Thera North 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.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

Thera Trust prepares group financial statements and copies can be obtained from The West House, Alpha Court, Swingbridge Road, Grantham, Lincolnshire, NG31 7XT.

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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	12	616,253	246,463
Direct costs	12	(626,539)	(256,304)
		<hr/>	<hr/>
Gross deficit		(10,286)	(9,841)
Gross profit %		(1.7)%	(4.0)%
Less: Overheads			
Administration expenses	12	(182,189)	(115,307)
		<hr/>	<hr/>
Operating deficit		(192,475)	(125,148)
Interest receivable	13	354	203
		<hr/>	<hr/>
Deficit for the year		(192,121)	(124,945)
		<hr/> <hr/>	<hr/> <hr/>

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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 £
Turnover		
Service income	533,684	222,310
TUPE income	82,028	24,153
Sundry income	541	-
	<u>616,253</u>	<u>246,463</u>
	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
Cost of sales		
Wages and salaries	573,419	239,946
Staff pension costs	13,581	11,480
Registration fees	-	360
Postage	964	496
Telephone	5,280	1,375
Travelling	23,295	2,647
Corporate service fee	10,000	-
	<u>626,539</u>	<u>256,304</u>
	31 March 2007 £	<i>Period ended</i> 31 March 2006 £
Administration expenses		
Directors salaries	46,437	12,000
Directors pension costs - money purchase schemes	759	-
Staff salaries	47,662	42,693
Staff pension costs - money purchase schemes	6,617	1,653
Motor vehicle leasing (operational)	7,773	-
Hotels, travel and subsistence	26,986	14,970
Printing and stationery	-	663
Telephone and fax	3,441	1,854
Bank charges	54	-
Rent - operating leases	11,507	2,707
Rates	-	148
Sundry establishment expenses	953	1,623
Corporate service fee	30,000	36,996
	<u>182,189</u>	<u>115,307</u>

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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>
Interest receivable		
Bank interest receivable	<u>354</u>	<u>203</u>