

THERA TRUST

Registered No: 03593418

Charity No: 1090163

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2014

THERA TRUST

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INTRODUCTION

**These papers tell readers what the company has been doing
between April 2013 and March 2014.**

**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 Auditors – Clement Keys LLP.

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

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

The Directors are pleased to present their report and financial statements for the year ended 31 March 2014.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name	Thera Trust
Charity Registration Number	1090163
Company Registration Number	03593418
Registered Office	134 Edmund Street Birmingham B3 2ES
Principal Address	The West House Alpha Court Swingbridge Road Grantham Lincolnshire NG31 7XT
Company Secretary	Simon Conway

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**REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2014**

Auditors

Clement Keys LLP
Chartered Accountants
Statutory Auditors
No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

T C Young
Melrose House
69a George Street
Edinburgh
EH2 2JG

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Bankers

Barclays Bank plc
43 High Street
Sutton
Surrey
SM1 1DR

Bank of Scotland
15 Queen Street
Nottingham
NG1 2BL

NatWest Bank plc
166 Camden High Street
London
NW1 0NS

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BOARD OF DIRECTORS

Members of the Board of Directors, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out below:

Karen Boyce-Dawson

William Carter (Chairman)

Simon Conway

Jeffrey Dandridge (resigned 15 May 2014)

Jenny Garrigan

Peter Jones (appointed 23 June 2014)

Christine Mackness

Michael Morgan

Matthew Smith

Brian Young (appointed 3 December 2014)

Details of Trustee remuneration are detailed in Note 8 to the accounts.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

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

RESPONSIBILITIES OF THE BOARD OF TRUSTEE DIRECTORS

The Directors (who are also the Trustees of Thera Trust for the purposes of charity law) are responsible for preparing the Report of the Directors and Trustees (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Thera Trust, the charitable company, and of the Group and of Thera Trust's and the Group's incoming resources and the application of those resources, including the income and expenditure of the Group, for the financial year. In preparing these financial statements, the Board of Directors is required to:

- ✓ select suitable accounting policies and then apply them consistently;
- ✓ observe the methods and principles in the Charities SORP;
- ✓ make judgements and estimates that are reasonable and prudent;

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- ✓ state whether applicable United Kingdom 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 assume that the charitable company will continue in business

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and of the Group and to enable it to ensure that the financial statements comply with the Companies Act 2006. The Board of Directors is also responsible for safeguarding the assets of Thera Trust, the charitable company, and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors is responsible for the maintenance and integrity of the corporate and financial information included on Thera's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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A Year of Opportunity and Challenge¹

opportunity

“When I reported last year I made reference to all of the hard work which enables Thera to maintain and develop a wide range of support for people with a learning disability. This year is no exception, and I continue to be amazed by the commitment, passion and dedication which I see in all of the aspects of Thera which I come across.

Thera Group has grown in the last year, partly due to The Camden Society joining the Group in January 2014. The Camden team bring new skills and experience to Thera, but also some challenges. This includes providing support in a metropolitan setting and developing and running social enterprises. As could be expected, in taking on such a significant additional organisation, some teething issues have been encountered with which we are dealing appropriately. We anticipate this providing a benefit to a much wider range of people with a learning disability supported elsewhere across the Group in due course.

In addition, Thera South Midlands has begun trading, a new company prompted by increased business in two existing companies, plus

¹ Thera Trust 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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opportunities in a wider area. We also look forward to Equal Futures joining the Group in 2015. This will bring additional experience and another perspective to Thera.

Increased size and complexity means that our governance arrangements must develop in parallel. Our Nominations Committee has been very busy recruiting new directors to ensure that each company has a board which can meet its obligations. A new director's induction programme is in place to ensure that incoming directors understand both their legal responsibilities and their role in supporting the achievement of Thera's Vision. A number of boards are now evaluating their own performance and setting development goals for themselves as well as their business.

Our Vision remains the cornerstone of all of Thera's activity. Progress is only achieved through people. My sincere thanks to all of those involved with Thera - people themselves and their families for their continued support; members of staff for their commitment and dedication; leaders across the organisation, including those with a learning disability, for their skill and application; my fellow trustees and all those voluntary board members who give their time and expertise freely in support of that Vision.

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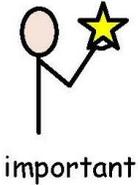
By the time we report next I expect significant progress on a number of agendas. One which is a critical part of the Vision is the enabling of company membership across all companies in the Group. Successful pilots are now well established and rollout across the rest of the Group is under way. We anticipate an increase in the number of independent directors, appointed to boards by their membership.

I could give many examples of success and innovative ways of addressing challenges as our plans progress, but will leave others throughout this report to tell you of on another exciting and productive year for Thera and its subsidiaries with further developments to report next year as plans mature.”

Bill Carter
Chairman

Thera Trust

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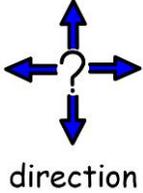
What is Important for Thera

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 will be led by a Charity.

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Strategic Direction

Our strategic direction remains focussed on getting it right for people we support:

- ✓ Thera will make sure that the Group is working well and that it is “Getting It Right” for all the people that it supports;
- ✓ Thera will develop and strengthen its leadership and management;
- ✓ Thera will have "Good Staff Who Stay”;
- ✓ Thera will deliver on its promises to the people it supports;
- ✓ Thera will invest in building the capacity of local communities to support people with learning disability;
- ✓ Thera will have more money in the bank;
- ✓ People with a learning disability will buy their support directly from Thera;
- ✓ Thera will get bigger and have more influence;
- ✓ Thera will work in more areas and will provide more types of specialist support;
- ✓ Thera will work formally with other organisations who share its Vision.

In addition to the needs of individuals and commercial considerations, trustees have had regard to the Charity Commission’s guidance on public benefit when approving this strategic direction and believe that

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the objectives and activities of Thera Trust and its subsidiaries fulfil the Commission's requirements².

The content of this report sets out how the Group has achieved its objectives during the year.



support

Thera Supports People with a Learning Disability

As of 31 March, 2014, Thera was providing support to over 1,700 people with a learning disability (31 March 2013 - 1,000) in over 40 local authority areas (31 March 2013 – 20) across the country.

Most of this work is intensive 24 hour support, to people with complex support needs, in their own homes and alongside them in their local communities.

Thera supports, helps and encourages people to take an active part in their local community, in employment, education, hobbies and interests, for short breaks and on holiday. Increasingly, Thera supports people with less complex support needs, who want only a

² Thera Trust's charitable objects are for the public benefit and are "the relief of persons with a learning disability, 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." and "the company can do all other things that are incidental or conducive to its objects or any of them"

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small amount of support from us, but as one part of their overall network of family, friends and support.

In addition, Dosh provides specialist financial advocacy and appointeeship services to individuals and The Quality Company provides quality assurance services, undertaken by employees with a learning disability, directly to individuals and to external organisations.

The Camden Society's main purpose is to improve the lives of people with disabilities and their families and carers by providing a wide range of life-enhancing services and to campaign with people to ensure that their human rights are met.

Forward Housing SW owns a number of properties and aims to purchase and adapt property for individuals with a learning disability who would otherwise have difficulty in finding accommodation suitable for their needs.

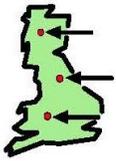
Thera's income in 2013-14 continued to come largely from contracts with Social Services Departments or NHS organisations. Increasingly, contracts with these public bodies are on an individual basis, with people themselves having a greater say in how the money is spent on their behalf. Some income also comes directly from individuals supported by Thera, who are taking advantage of the

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control that Direct Payments, funding from the Independent Living Fund and Individual Budgets gives them.

At the end of the year the Thera Group employed over 2,570 people (March, 2013 – over 2,250), the majority of whom are support workers.



location

Where Thera's Companies Work

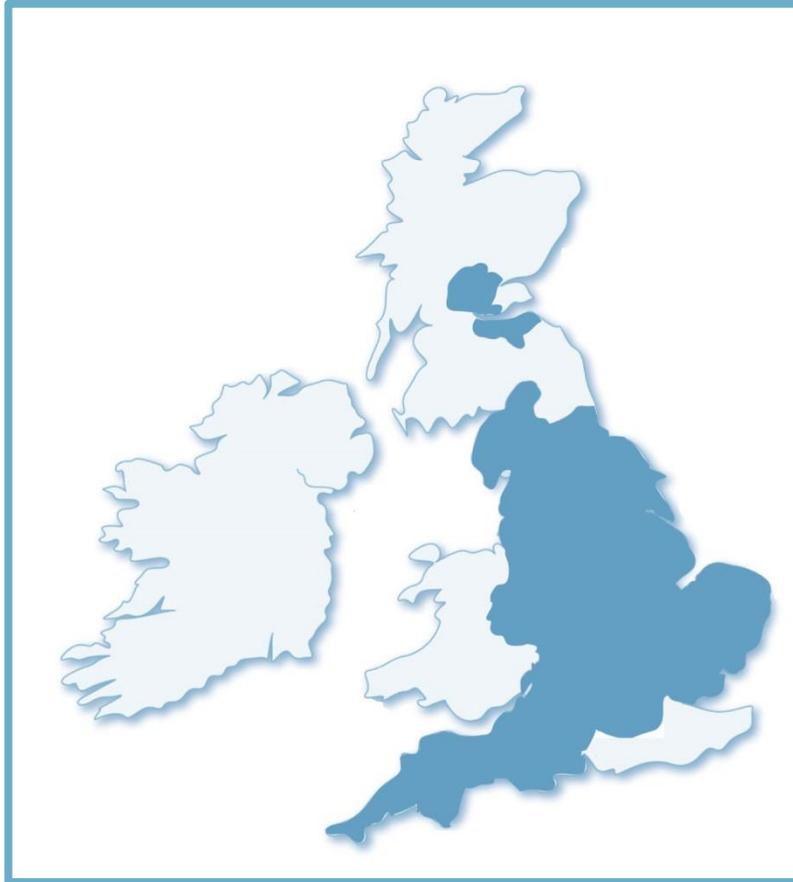
Thera employs staff who support people in their own homes and as part of their local community, in developing a range of practical life skills, for short breaks (respite), holidays and with specialist services. We also now employ staff who are experienced in supporting social enterprises, in helping people to find somewhere to live (housing brokerage), in helping people into and in employment, in helping employers wishing to offer accessible employment and in helping people to employ their own staff.

During 2013-14, Thera supported people in many parts of England including the East Midlands, East Anglia, the North West, North East, West Midlands and the South West. Thera supports an increasing number of people in South East Scotland. Dosh supports people in South Wales and The Camden Society supports people in 13 London boroughs.

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This map shows the Group's geographic coverage.



People with a Learning Disability Help Manage Thera

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.

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People can be members, as can families/carers and staff, of their local Thera company; and they are then consulted with on a range of important issues that affect the organisation.

In addition, people with a learning disability are employed as paid executive directors and in a number of other posts across the Group. Directors with a learning disability are responsible for overseeing the quality of the work that Thera undertakes.

16

Thera is 16 Years Old!

16

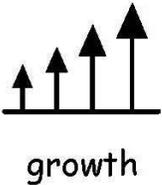
Thera Trust was incorporated on 6 July, 1998, as a not-for-profit company limited by guarantee and having no share capital.

Thera started trading in August, 1998, supporting five people in Cambridgeshire. Thera was registered as a charity on 18 January, 2002.

The company was established under a Memorandum of Association which established its objects and powers, and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

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There will soon be 16 Thera Companies!

Thera has had a lot of success and it has grown and developed. Thera Trust has set up a group structure to continue supporting people through a number of small, locally focussed subsidiary companies as well as with specialist services delivered through national companies. This means that the boards of individual companies are able to lead their company, take decisions which are aligned to the needs and wishes of their specific customers and involve people with a learning disability in the direction and management of the company.

Thera North started supporting people on 1 April, 2005. Thera East Anglia and Thera East Midlands started supporting people on 1 January, 2006. Thera West started supporting people on 1 September, 2007, and Thera (Scotland) started supporting people on 19 February, 2011.

Thera East was incorporated on 20 January, 2009, to take on part of the work then undertaken by Thera East Anglia, and started supporting people on 1 April, 2011. Similarly, Thera South West was incorporated on 21 January, 2009, and started supporting people

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on 22 February, 2011, with the transfer of a number of contracts and staff from Forward Living³.

Thera South Midlands was incorporated on 28 August, 2013, to take on part of the work undertaken by Thera East and Thera East Midlands and started trading on 1st April, 2014.

Forward Housing SW, a charitable company limited by guarantee, joined the Thera Group on 18 August, 2011.

Thera has set up three companies to provide specialist support to people. These companies all work nationally. The Quality Company provides quality assurance services and started its work on 1 April, 2008. Dosh provides financial advocacy and appointeeship services and started its work on 1 October 2008. Uemploy was incorporated on 21 June 2012, to provide support to people with a learning disability to employ their own staff and started trading on 28 November 2013.

The Camden Society (TCS), a charitable company limited by guarantee, joined the Thera Group on 30 January 2014, enabling us to support more than 600 additional people in 13 London boroughs and in Oxfordshire, to increase Thera's turnover by in excess of

³ Forward Living, a charitable company limited by guarantee joined the Group on 1st January 2009 and was struck off the register of companies on 7th May 2013.

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£11 m. and most importantly, to bring in a range of additional skills, knowledge and experience to benefit more people with a learning disability people across the country.

In addition, Thera Ltd. was dormant during the year to 31 March 2014.

All subsidiaries, except The Camden Society, were wholly controlled by Thera Trust during the year.

Each main operating company within the Thera Group has a paid Service Quality Director on its board, responsible for quality assurance and the design of new services as well as representing the views of people with a learning disability on the board and ensuring their influence on the organisation's decisions. These are paid executive roles on the board.

Each Service Quality Director is expected to bring their experience of having a learning disability to the way the board leads the organisation. There are currently nine paid directors with a learning disability employed across the Group.

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“It is a real joy now to be working with the people Thera (Scotland) supports. I think that the role of Service Quality Director - which ensures that someone with a learning disability sits as an executive on the board and is responsible for driving forward advocacy and quality - is a great step forward [for people with a learning disability].”
Steve Robertson, Service Quality Director for Thera (Scotland).

Other companies within the Group are also structured to ensure significant involvement of people with a learning disability as members, shareholders, directors and staff.



Thera Employs Good Staff

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 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

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recruitment process ensures that all applicants have equal opportunity for employment within the Group.

Our staff seem to think so too!

“Thera staff have supported me in everything that I have done in the last 6 years, I would not be the person I am today.” *Person previously supported – now a Support Worker.*

“Supporting the history group is a pleasure and spending time with such lovely people is brilliant.” *Support Worker, Thera East Midlands.*

“I really enjoy being a support worker; it's an incredibly rewarding career and it's a pleasure to support such inspirational people.” *Support Worker, Thera (Scotland).*

“My role covers a huge area and one of my challenges is making sure the quality of support that we provide is of good standard, so that when CQC come and visit we are providing the best quality support we can as an organisation.” *Service Quality Director.*

“My job is never boring. There is no such thing as a typical day and that is the fun part of the job.” *Learning and Development Project Partner.*

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“Society is made more inclusive because Thera staff support people with a learning disability to be included and involved in their communities.” *Service Quality Director.*

Every member of staff has an individual learning programme designed around the people they support, the job that they do and their own career plans.

During the year, Thera became an accredited centre for its own Institute of Leadership and Management (ILM) level 5 certificate in Leadership and Management. We offer this, and a variety of other leadership courses, to current and future leaders and managers.

During the year, Thera East worked in partnership with Vanilla and other voluntary sector organisations to develop and pilot a very successful ‘Good Futures’ fast track career programme in social care.

In addition, Thera East Midlands and Embrace (an advocacy and family support organisation) joined together to design and deliver two days intensive circle facilitation training to all of our local managers.



What Happened in 2013-14

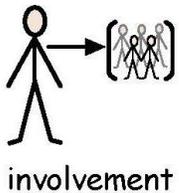
Annual reports necessarily highlight key events, achievements, themes and organisational matters. We should not though forget

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that, on a day to day basis, Thera now supports almost 1,750 people with almost 2,600 staff. Well over 4,300 people therefore rely directly on the organisation in one form or another! This is the core of what we do and we hope that the stories which follow from and about people who were supported by Thera during the year keeps the focus on this important work. As Bill Carter has suggested, these stories continue to inspire us! They demonstrate the leadership abilities of people with a learning disability and the extent to which they are able to take their place as valued citizens in their local community.

As well as The Camden Society joining Thera, here are some other highlights from the year!

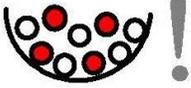


Involving People

Thera's Vision encourages us to involve people we support in the way in which Thera companies are directed and managed. Several companies in the Group held their annual events. Thera West's "Big Event" is now well established as something to look forward to and Thera East's annual get together was attended by so many people that they will be looking for a larger venue for the next one! Thera North has held its board meetings in a variety of venues, enabling its directors to meet with company members and other people supported and their families.

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Supporting More People

more

Thera Trust has deliberately invested in a group infrastructure both centrally and around the UK to enable it to support more people who wish to take advantage of the high quality of care, support and services that we provide. During the year, this infrastructure has proved its worth with work now starting in a number of new local authority areas from the middle of Scotland to new areas in the south of England.



partnership

Working in Partnership

We were delighted to be able to establish the "TEN" partnership, working alongside Neighbourhood Networks and Equal Futures.

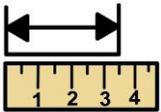
The partnership aims to provide a range of ways to help people reduce their reliance on traditional paid staff support and to lead a more varied and independent life. Several people have already benefitted in this way. Working initially in Scotland, we are looking forward to offering similar opportunities to people in England over the next two years.

Last year, we told you about the Dolphin's Den initiative, which aims to provide support and mentoring for people who wish to set up their own business and to develop their entrepreneurial skills! It has

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proved a huge success and so far we have supported over 40 people to advance their dreams!



measuring

Measuring How Well We are Doing

Whilst The Quality Company continued to provide independent quality assurance for the people we support, we have developed further the detailed framework for measuring the social impact of what we do. This covers the full range of the Group's activities and we expect to publish an annual independent audit of our work against this framework from 2015-16.

Given the number of people we support, the complex range of our geography and work and the number of staff that we employ, we acknowledge that we will occasionally fail to live up to the high standards we and others expect. During the year we needed to address several individual situations where the quality of our work was unacceptable. In each case, we worked closely alongside individuals, their families and the local authority to put matters right.



success

Company Successes

Dosh helped numerous individuals with their money - such as budget and debt management, appealing benefits decisions - and published a research report on access to banking services for people with a

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learning disability. The report examines the difficulties that are faced by people with a learning disability in getting access to banking services and sets out ways this can be tackled in partnership with banks, laying some groundwork for a shared approach to making banking more accessible for other disabled and excluded groups.

Forward Housing SW purchased properties in Norfolk and Wiltshire, providing accommodation for more people with a learning disability.

All care and support companies welcomed the Care Quality Commission or the Care Inspectorate to inspect aspects of their work, and were found compliant against all the standards inspected.

Thera East's 'Skills Around the Person' project has enabled people to become better connected with others who share similar interests in their local communities. The process of 'community mapping' is helping people to really say what is important to them and to find more ways of getting involved in those communities. Other community initiatives include Thera West's PODS ("People Out Doing Stuff") Group, which arranges activities and events for people to get involved in. It is proving very popular! Thera West has also been heavily involved in supporting a number of employment initiatives and has been able to offer work experience to a young person with a learning disability as part of the 30/30 challenge.

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Thera (Scotland) is amongst several companies to have supported someone to move from an institutional setting to their own home for the first time and it has been a delight to see individuals thrive at the freedom and opportunity which such change can bring!



Events and Achievements!

We celebrate people's achievements with them in a whole variety of ways. Some people like to publicise their achievements and we support this with a quarterly newsletter, Thera Voice.

It remains difficult to pick examples of people's personal achievements without upsetting someone by leaving them out! So many people have achieved great things in their lives and so many events have taken place, we can only offer a small selection to illustrate some of the work that Thera does. Here are just a few of the stories that make working for Thera so rewarding!



Big Steps Forward and Individual Achievements

"Jack" found supermarkets difficult to cope with and could never stick around long enough to choose his own shopping. A great relationship with his support staff has helped him to put his Kit Kats in his own trolley for the first time. A very big achievement for "Jack"!

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“John” started using a community mapping technique to explore his community and choose things to do. His staff team have helped him add to his map the places he likes to visit so that he knows where they are. “John” chose to include all of the main roads he uses, the local shops and other places he is familiar with. “John” has been sharing his map with his new staff so that they know where he likes to visit. He is looking forward to adding new places and activities to his map as he continues to explore what his local area has to offer. Since creating his own community map, “John” has been keen to share the benefits with other people. He has attended a number of events to talk about the maps and has increased his confidence in speaking to new people.

“Millie” bought a tablet computer so that she can use her iplanit account and online person-centred plan. This provides “Millie” with a good method of communication that suits her needs and she now enjoys more control in her day to day life.

“Joyce” was exercising regularly and following a healthy eating diet and as a result lost over 13kg in twelve months.

"Arthur" made his mum Christmas dinner for the first time and they had a great day together.

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home

Somewhere to Live

“Lewis” and “Tim” met each other in Totnes many years ago and became good friends. They both lived with their parents but each wanted their own place to live, so decided to try and find a place together with the help of their families and of Thera's staff.

“Lewis” and “Tim” wanted a bungalow because they have mobility needs. It was not a quick process and it took over two years to find somewhere suitable that they liked. The property has been adapted and extended and now includes ramps at the front and back so that they have easy access to a fantastic garden!

“Tim” has a summer house in the garden and they both like spending time outside when the weather is nice! They are both planning to transform the garden with potted plants, a rose bed and a vegetable patch with a path across the lawn and a barbecue area so they can entertain their friends and family in the summer!

“Lewis” and “Tim” have now settled into their new home, have decorated in the colours of their choice and have personal space for hobbies and pastimes. Both like using the local shops, going to the park and attending local community events. They both love going to the zoo and have bought annual passes so they can visit whenever they like! They each have their own car and they love taking the opportunity to explore new places.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

"Andrea" told us how delighted she was that she was able to move on in her life and is now living in her own flat. She was really happy to be able to choose her own staff along with the excitement of setting up home on her own for the first time. She is now concentrating on getting a job.

"Michael" spent many years in residential care and nursing environments and although his health needs were met, always felt one of a number and never a person in his own right. Since Thera started supporting him, he tells us that he now feels valued and treated as an individual. His new house is his home and he has his own tenancy and his own staff team. The house has been adapted for all his physical needs to make sure he has ease of access throughout the property and specialised equipment to help with his mobility. The house is bright light and airy and he enjoys lots of visitors. "Michael" also has a beautiful garden which he has never had before and he enjoys spending quiet moments listening to the water feature and admiring the bright coloured plants.

"Michael" has chosen his own staff who recognise and support his beliefs and values. His family, who visit him frequently, are delighted that he is living somewhere where he is happy. "Michael" has told us: "I get up when I like, go to bed when I like, have meals when I like, go out when I like. My whole world has changed and I am a very happy person"!

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014



holiday

Holidays and Days Out!

“Ian” wanted to go to EuroDisney and with the help of Thera’s staff and a friendly travel agent was able to get his first passport! He enjoyed visiting the bureau de change to change his pounds into euros. After an early start he travelled to St. Pancras and on the Eurostar all the way to Paris. He stayed for five days, going on all the rides and seeing all the Disney characters in the daily parades. Every evening he enjoyed the fireworks and a laser light show. With his new passport, he’s now looking forward to going on holiday again!

“Ronald” overcame his fear of roller-coasters and raised money for St. Johns Ambulance by riding the ‘Big One’ at Blackpool Pleasure Beach.

"Jordan" went on his first ever holiday and had a great time. He did loads of things that he had not tried before and has since carried on with some of these new activities back home.

“Peter” headed off to Center Parcs in Sherwood Forest because it is an accessible resort. The weather was very kind and he had meals on the patio every day. He walked the woodland trails, saw lots of beautifully coloured birds, squirrels, geese and lots and lots of rabbits. In the evening he went to the disco and danced until he couldn’t dance anymore! “Peter” really enjoyed swimming in the tropical pool and the roller disco and never stopped laughing!

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014



employment

Volunteering and Employment

“Josh” volunteered with the Worcester “Keep Safe” scheme, which is known in some places as the “Safe Places” scheme. This aims to give people a safe place to go if they are feeling worried, upset or threatened when they are in the community. In Worcester, the scheme is supported by Our Way Self Advocacy, West Mercia Police and Mencap. “Josh”’s role is to visit local businesses and public buildings to encourage people to sign up to the scheme. He gives out leaflets, stickers and membership cards. “Josh” said: “I have been looking for a volunteer job for ages and this is perfect for me. I know that people can sometimes feel frightened when they are out and about in the community. The Keep Safe scheme gives people confidence to go and do all the things that they are interested in. If they are worried, they can go to any of the places that have signed up and get support.” “Josh” and the team meet once a month to encourage more businesses to take part, look at any reports and to have a coffee!

“Safety Matters” is a group run by people with a learning disability who meet once a month to talk about things like road safety, hate crime, internet crime and ways of keeping safe. The group enjoyed getting together to talk about things and share ideas. At one of their meetings, they talked to the local Safety Communication Officer and Police Diversity Officer about hate crime and how to report incidents.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

“Laura” started doing work experience in a café for two mornings a week. This is going well and she hopes that this will enable her to get a paid job.



money

Thera’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’s Articles of Association, applicable law and the requirements of the ‘Accounting and Reporting by Charities, Statement of Recommended Practice’ issued in March 2005.

The results for the year reflect the material impact of The Camden Society joining the Group. In the year to 31 March 2013 and in the ten months to January 2014, The Camden Society made substantial trading losses, resulting in them having negative reserves of (£562 k) at the point when they joined the Thera Group. Whilst Thera Trust provided a social investment grant of £250 k to The Camden Society during the year and continues to support The Camden Society, its finances and operations, The Society joined the Group at nil consideration.

Group incoming resources in 2013-14 were £46.9 m. (2012-13: £44.5 m.). The increase largely reflects the turnover of The Camden Society from the end of January 2014.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

Details of the results for each of our subsidiary companies can be found in note 13 to the accounts later in this document and in their individual separately published accounts.

Charitable funding received by Thera Trust is applied to the support of smaller companies in the Group such as Dosh and The Quality Company and to the Group's wider charitable objectives, as well as its necessary governance.

During the year, the Group retained an operating surplus of £212 k.



money

Reserves

The trading results for 2013-14 had a positive impact on the Group's reserves. Net assets at 31 March, 2014, were £4.8 m. (31 March 2013: £5.6 m.). The overall reduction in net reserves is the result of a re-valuation of investment properties and of the introduction of The Camden Society's negative balance sheet on joining the Group.

At the year end, excluding the impact of The Camden Society's balance sheet, net current assets were £607 k (31 March 2013: £1.48 m.), the change from the previous year largely reflecting cash spent on investment properties not funded by external finance. Cash generated from the Group's operations was £127 k and, after

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

spending £952 k on fixed assets and investment properties, net cash decreased by £951 k.

The Camden Society's balance sheet had a negative impact on overall working capital adding net current liabilities of £934 k, much of which was debt owing to HMRC, which was settled in full by 30 September, 2014. The Camden Society is separately financed to the rest of the Group, and its liabilities are ring-fenced. At the time of writing, The Camden Society has been offered increased overdraft facilities by NatWest Bank, along with a loan facility from Big Issue Invest, which are sufficient for its working capital needs.

In line with Thera's Treasury Management Policy, daily cash balances were invested during the year on deposit only.

Thera's on-going operations and future growth are expected to see a gradual increase in cash and reserves in 2014-15 and future years in line with the Reserves Policy (see below).



well

Thera Uses its Money Well

Reserves Policy

Thera's Reserves Policy was reviewed in March 2012, and currently aims for the organisation to achieve balance sheet reserves of £10.2m. by March 2016. This includes an increase in property-related

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

fixed assets. In part, this is dependent on successfully raising funds through the issue of a charity bond during 2014-15 and we now expect the policy to be reviewed in early 2015.

The policy is for Thera's reserves to be neither too big nor too small and to be sufficient for the needs of the whole of the Thera Group.

This policy will allow Thera to:

- ✓ Continue to fulfil its charitable objectives;
- ✓ Pay for emergencies and other events that it cannot plan for;
- ✓ Make sure that there is flexibility in the running of the Group and for its development;
- ✓ Provide money to pay for one-off things, such as grants to people;
- ✓ Show to customers that the Group is financially strong;
- ✓ Provide support to companies in the Group should this be necessary.

The successful application of this policy can be seen in Thera Trust's support to The Camden Society at a point where The Camden Society might otherwise have ceased trading.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014



Social Investment Policy

Thera Trust has reviewed and updated its Social Investment Policy in line with the latest guidance from the Charity Commission. The policy allows Thera:

- ✓ To make social investment by way of loan and grant of contracts in accordance with the strategy of Thera Trust for providing services to individuals with a learning disability, their families and carers associated with the Thera Group;
- ✓ To make loans and grants available to companies within the Thera Group;
- ✓ To make programme related investments by way of grants or loans to organisations outside of the Thera Group.

During the year, Thera committed to support the continued development of its smaller subsidiary companies with working capital as necessary in line with funding agreements within the Group and in line with this policy.

Specifically Thera Trust made two other social investment grants to The Quality Company and Dosh, recognising their activities are specifically to advance Thera's charitable objectives.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014



Thera has Restricted Funds

The Group's balance sheet now identifies a range of funds with designated or restricted use.

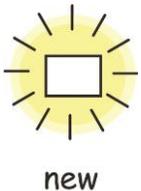
During the year, trustees again made a number of monetary grants to individuals to meet specific requests for financial support.



Thera's Directors (Trustees)

Members of the board of directors, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are shown in the Company information at the start of this report and accounts.

Thera Group is run by a team of executive trustees, each equally responsible for the overall performance of the organisation.



New Thera Directors

We continue to seek non-executive directors to support several of our company boards. In particular, we have continued to recruit nationally for directors including people with a learning disability who wish to be voluntary directors.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

In 2013-2014, we increased further the number of voluntary non-executive directors now serving on our company boards and this pattern has continued into 2014-15.

In particular, early in 2015, we expect to make two further trustee appointments to the Thera Trust Board.



good

Thera Makes Sure that it has Good Directors

Recruitment, Induction and Training of Trustees

The Articles of Association state that the board shall comprise a minimum of four and a maximum of fourteen directors, of which there shall be a minimum of one executive director and a maximum of five. The executive directors and the non-executive directors must each include at least one person with a learning disability.

New trustees are recruited through a process of open and fair recruitment. Recruitment follows a formal interview with existing trustees and people supported by the organisation and members of staff.

Trustees and subsidiary board directors follow a formal induction process to ensure they know the organisation and its aims, and are aware of their responsibilities.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

All trustees are subject to references and standard DBS checks.



Voluntary Directors Decide About Directors' Pay and About Thera's Pensions

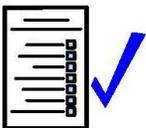
pay

Remuneration and Pensions Committee

The Committee consists of two non-executive directors, who independently determine the remuneration of executive directors of the organisation and of its subsidiary companies.

The Committee has determined that for a seventh year, there has been no increase in pay rates for Thera Trust's directors; nor has there been a pay increase for other directors across the Group.

The Committee also has responsibility for ensuring that Thera has in place adequate and appropriate pension arrangements for its staff, for ensuring effective consultation arrangements are in place with staff and to consider and address any potential liabilities.



check

Voluntary Directors Check Thera's Money

Audit Committee and Auditors

Thera Trust's Audit Committee has met three times during the year.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

The Committee recommended the re-appointment of Clement Keys as the Group's auditors for the 2013-14 accounts.

Baker Tilly (previously RSM Tenon) continued their internal audit programme during the year.



fundraising

Voluntary Directors Help with Thera's Fundraising

Thera Trust's Fundraising Committee involves people from across the Thera Group in leading our drive to increase the amount of income earned from fund-raising.

During the year, we again received over £150 k in grants, donations and gifts-in-kind which is targeted both at specific projects and in general support of our charitable objectives.



talk

Voluntary Directors Talk with Thera's Staff

Thera has an established Employee Consultative Council structure across the Group. Employee Consultative Councils in each Thera company are chaired by a voluntary director and 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.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

The Employee Consultative Councils are the formal mechanism for ensuring that Thera delivers on its philosophy of involvement in relation to its staff and meets its obligations under the Information and Consultation Regulations 2005.



risk

Managing Risk

The trustees have assessed the major risks to which Thera may be exposed through a risk management strategy, which is reviewed annually.

Key risks inherent in Thera's work include the abuse or neglect of vulnerable people, a failure by one of our companies to comply with CQC essential standards or a failure to realise Thera's Vision.

Trustees are satisfied that our companies have systems in place to minimise the incidence and impact of these risks. In particular, each company takes a proactive approach to risk management and directors review current and significant risks at each of their meetings.

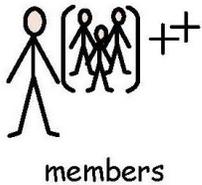
The trustees have considered in detail the health and safety structure across all the Thera companies to ensure that it continues to be fit for purpose.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

Karen Boyce-Dawson, Director of Operations, is the Lead Director for health and safety within the Group.

Thera Trust's Health and Safety Committee and those of each subsidiary company provide the formal mechanism for Thera jointly with staff safety representatives to fulfil their obligations under health and safety legislation and in line with their Health and Safety Policy.



People with a Learning Disability will be Members of Thera

Thera Trust's Membership Committee oversees the membership of the company in line with Thera's Articles of Association. The Committee is chaired by Matthew Smith, Director of Quality and Involvement.

Thera's founding aim was to be "an organisation directly controlled by people with a learning disability". The trustees approved Thera's Membership Policy in September, 2008, and the Committee has continued to review its implementation and refine the policy and related guidelines as we learn from our experience.

By the end of the year, all main operating companies in the Group had an implementation plan to extend membership more widely to people with a learning disability, families/carers and to members of staff.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014



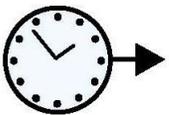
business

Related Party Transactions

Jeff Dandridge, who was a director of Thera Trust during the year, is a non-executive director and shareholder of Shop4Support Limited. Thera Trust is working with Shop4Support Limited in respect of developing software to host Thera's contract management database.

Bill Carter, Chairman and a director of Thera Trust, has provided consultancy services to Thera Trust during the year under a contract for services to help the organisation further develop its governance arrangements, in addition to his voluntary position on the Group Board.

Other related party transactions are detailed in Note 31 to the accounts.



future

The Future

We continue to remember that our first responsibility is to the people we support, their families/carers and our staff and the next twelve months will continue to see us focus first and foremost on them.

Nevertheless here are one or two tasters of news to look out for in next year's report!

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014



The Camden Society

Whilst much work has been necessary to stabilise the finances of The Camden Society since it joined the Group, there is more to do. We are confident that the organisation, with Thera's support, will make considerable changes to its financial governance arrangements and will amend its Articles of Association to provide a clearer focus for the membership and proceedings of its trustees, as well as seeking approval from the Charity Commission for the appointment of a paid director with a learning disability. A range of specific projects are expected to deliver efficiencies and cost savings. Once this work is complete, we continue to believe that our shared passion for the work that we do will deliver an even bigger voice for people with a learning disability and greater control for them and their families, more innovation and creativity as well as sharing and developing the skills, knowledge and expertise of our combined workforce to improve and develop our support and services.



challenge

Supporting People in Challenging Times

Increasingly, we are seeing individuals with a learning disability, and frequently those with complex support needs, having their needs re-assessed with a resultant material reduction in their support. In some instances, this means that people are unable at all to spend time outside their house, to do their shopping, to take part in their local community or indeed simply to make necessary visits to the doctor or dentist. In other instances, we see an increase in the

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

commissioning of environments and services which have the potential to isolate or stigmatise individuals in their local communities.

Thera has demonstrated on many occasions its ability and willingness to work closely with local authorities to support them in delivering savings in what we recognise is a difficult public sector funding environment. However, we will also work with individuals and their families and wider circles of support to help them to challenge decisions which breach people's rights under current and future legislation and/or which put vulnerable people at risk.

As part of Thera's strategy around personalisation, we have delivered a flexible workforce affordable by people who wish directly to purchase their support from us in the future. As the economy picks up, we will want to work with our local authority customers to ensure that we are able to recruit and retain the best staff in a tightening labour market.



housing

Supporting People to Have Better Housing

It remains the intention of Forward Housing to broaden the geographic areas in which it works and to be able to provide accommodation to people with a learning disability who may find it difficult to find suitable and affordable accommodation to meet their specific needs. Critical to this is the ability of the company to raise

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

capital finance and Thera Trust is pursuing several substantial initiatives in this regard.



Equal Futures

At an AGM on 26 November 2014, members of Equal Futures, a Scottish charitable company limited by guarantee, decided to amend their Articles of Association and join the Thera Group with effect from 1st January 2015. Equal Futures employs community connectors to build and maintain lifelong circles of support around a person.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2014

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

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Board of Directors is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Board of Directors has taken all steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Clement Keys LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 December 2014 and signed on its behalf.

Simon Conway

Trustee / Secretary

THERA TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA TRUST

This section explains that the Auditors have audited (checked) the accounts and that they are reporting to Company Members.

We have audited the financial statements of Thera Trust for the year ended 31 March 2014 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable 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 charitable group and company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

THERA TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA TRUST

**Directors' responsibilities are explained on page 7.
This page explains that it is the Auditors' responsibility to audit (check)
the accounts as the law says they should.**

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

THERA TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA TRUST

This page explains how the Auditors check the accounts.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Directors and Trustees (including the Strategic Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

THERA TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA TRUST

This page explains that the Auditors are 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 ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

OPINION ON OTHER MATTER PRESCRIBED BY COMPANIES ACT 2006

In our opinion the information given in the Report of the Directors and Trustees (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

THERA TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THERA TRUST

This section explains that the Auditors must tell us if they are unhappy with how the directors managed the company.

The Audit report says that there is nothing bad the Auditors wish to report to Company Members.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THERA TRUST

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THERA TRUST**

Joseph Bates FCA DChA (Senior Statutory Auditor)

for and on behalf of

CLEMENT KEYS LLP

Chartered Accountants

Statutory Auditors

No. 8 Calthorpe Road

Edgbaston

Birmingham

B15 1QT

Date: 24 December 2014

You will see that this report and accounts also includes accessible information so that the directors of Thera Trust 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 Auditors.

The law does not say we must provide this information, but Clement Keys LLP says it is in line with the statutory report and accounts.

THERA TRUST

SUMMARY OF MONEY

For the year ended 31 March 2014

What we have earned and what we have spent

Money in	£	46,850,198
What we spent on staff	£	(40,616,316)
Other money spent	£	<u>6,021,398</u>)
What is left over from the year	£	212,484
Revaluation of houses	£	<u>(397,728)</u>
	£	<u><u>(185,244)</u></u>

What Thera Trust has at 31 March 2014:

Value of business bought	£	22,667
Land, houses and buildings	£	6,125,571
Equipment	£	800,747
How much cash we have in the bank	£	1,108,105
What we are owed by others	£	7,041,236
What we owe to others	£	<u>(10,273,111)</u>
Net amount Thera Trust has at 31 March 2014	£	<u><u>4,825,215</u></u>

THERA TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure Account)
for the year ended 31 March 2014

	Note	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total 2014 £	Total 2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations	3	1,511	9,361	10,872	15,550
Activities for generating funds					
Grants received	4	-	140,096	140,096	145,492
Investment income					
Interest receivable		578	-	578	531
Incoming resources from charitable activities					
Supporting people with a learning disability	5	46,319,980	-	46,319,980	44,177,565
Rental income	5	325,262	-	325,262	140,502
Other incoming resources					
Other income		53,410	-	53,410	70,204
Total incoming resources		<u>46,700,741</u>	<u>149,457</u>	<u>46,850,198</u>	<u>44,549,844</u>
Resources expended					
Costs of generating funds					
Charitable activities					
Supporting people with a learning disability	7	45,559,320	119,770	45,679,090	43,374,196
Exceptional costs	7	315,294	-	315,294	302,501
Governance costs					
Governance costs	7	643,330	-	643,330	605,032
Total resources expended		<u>46,517,944</u>	<u>119,770</u>	<u>46,637,714</u>	<u>44,281,729</u>
Net incoming resources <i>(being net income for the year)</i>		182,797	29,687	212,484	268,115
Other recognised gains and losses					
Unrealised losses on investment properties	12	(397,728)	-	(397,728)	(383,564)
Transfers between funds		41,214	(41,214)	-	-
Net movement in funds		<u>(173,717)</u>	<u>(11,527)</u>	<u>(185,244)</u>	<u>(115,449)</u>
Reconciliation of funds					
Fund balances brought forward	19	2,054,502	3,566,568	5,621,070	5,736,519
Net liabilities acquired on acquisition of subsidiary undertaking	13	(610,611)	-	(610,611)	-
Fund balances carried forward	19	<u>1,270,174</u>	<u>3,555,041</u>	<u>4,825,215</u>	<u>5,621,070</u>

Incoming resources and resources expended derive from continuing operations.
The statement of financial activities includes all gains and losses recognised in the year.
The notes on pages 61 to 89 form part of these financial statements.

THERA TRUST

COMPANY REGISTRATION NUMBER 03593418

BALANCE SHEETS
31 March 2014

	Notes	2014 £	Group 2013 £	2014 £	Charity 2013 £
Fixed assets					
Intangible fixed assets	10	22,667	30,667	-	-
Tangible fixed assets	11	2,808,374	2,024,544	2,010,199	2,024,544
Investment properties	12	4,117,944	3,742,000	-	-
Investments	13	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		6,948,985	5,797,211	2,010,199	2,024,544
Current assets					
Debtors	14	7,041,236	6,601,184	6,556,229	4,888,936
Cash at bank and in hand	15	1,108,105	1,012,073	568,061	808,956
		<hr/>	<hr/>	<hr/>	<hr/>
		8,149,341	7,613,257	7,124,290	5,697,892
Creditors : amounts falling due within one year	16	(8,476,637)	(6,135,387)	(3,389,292)	(1,761,541)
		<hr/>	<hr/>	<hr/>	<hr/>
Net current (liabilities) / assets	17	(327,296)	1,477,870	3,734,998	3,936,351
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		6,621,689	7,275,081	5,745,197	5,960,895
Creditors : amounts falling due after more than one year	18	(1,796,474)	(1,654,011)	(1,644,284)	(1,933,184)
		<hr/>	<hr/>	<hr/>	<hr/>
Net assets		4,825,215	5,621,070	4,100,913	4,027,711
		<hr/>	<hr/>	<hr/>	<hr/>
Represented by					
Unrestricted funds					
Designated funds	19	12,845	14,666	7,925	9,666
General fund	19	1,257,329	2,039,836	3,957,407	3,865,937
		<hr/>	<hr/>	<hr/>	<hr/>
		1,270,174	2,054,502	3,965,332	3,875,603
Restricted funds	19	3,555,041	3,566,568	135,581	152,108
		<hr/>	<hr/>	<hr/>	<hr/>
Total		4,825,215	5,621,070	4,100,913	4,027,711
		<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 61 to 89 form part of these financial statements.

The financial statements on pages 58 to 89 were approved by the Board of Trustees on 24 December 2014.

Simon Conway
Trustee

Jenny Garrigan
Trustee

THERA TRUST
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2014

	Note	2014 £	2013 £
Net cash inflow / (outflow) from operating activities	23	126,630	(51,549)
Returns on investment and servicing of finance			
Interest paid		(99,175)	(28,491)
Interest received		578	531
Interest element of finance lease rental payments		(8,094)	(4,551)
Net cash outflow from returns on investment and servicing of finance		(106,691)	(32,511)
Capital expenditure			
Payments to acquire tangible fixed assets		(178,226)	(498,202)
Payments to acquire investment properties		(773,762)	(616,025)
Net cash outflow from capital expenditure		(951,988)	(1,114,227)
Acquisitions			
Net cash acquired with subsidiary		293,931	-
Professional costs of acquisition		(48,708)	-
		245,223	-
Financing			
New secured bank loans		165,000	1,367,829
New finance leases		55,057	203,529
Repayment of long term bank loans		(389,740)	(50,835)
Capital element of finance lease rental payments		(94,580)	(54,961)
Net cash (outflow) / inflow from financing		(264,263)	1,465,562
(Decrease) / increase in cash in the year	24	(951,089)	267,275

The notes on pages 61 to 89 form part of these financial statements.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investment properties and investments which are included at market value, and include the results and net assets of the Thera Trust Charitable Group which are described in the Directors' and Trustees' Report.

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006, applicable accounting standards and in compliance with the revised Statement of Recommended Practice - 'Accounting and Reporting by Charities' issued in March 2005 ("SORP").

1.2 Group financial statements

The Group financial statements consolidate the results of Thera Trust and its wholly controlled subsidiaries on a line by line basis. The results of acquisitions are accounted for from the relevant date of acquisition under the acquisition method of accounting.

A separate statement of financial activities and income and expenditure account is not presented for Thera Trust itself following exemptions afforded by the Companies Act 2006 and paragraph 397 of the SORP.

1.3 Incoming resources

Incoming resources represent contracts with Local Authorities, other organisations and individuals to provide support to people with a learning disability, along with donations and recharges.

Supporting people with a learning disability

Income from supporting people with a learning disability is recognised as income when the support is provided.

Fees for care and support services comprise income receivable from health authorities and social services departments under contracts for the supply of care services, and fees receivable from individuals with a learning disability in connection with supported living arrangements.

As work is undertaken on a contractual basis, any income is recognised in accordance with the terms of the contract. In general terms, this means that income is recognised as support is provided.

Investment income

Investment income comprises interest earned on bank deposits and dividends received from investments.

Grants

Grants receivable are accounted for in the period in which the grant is received or the conditions of the grant are met, if later, unless there is an agreement to make such grants and they are received prior to the date the financial statements are issued. In this case the appropriate debtor is included.

Other income

Other income comprises charges for the provision of office accommodation, provision of management services, re-charged service costs and other sundry income.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

1 ACCOUNTING POLICIES (continued)

1.3 Incoming resources (continued)

The following specific policies are applied to particular categories of income:

- Voluntary income by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when it becomes unconditionally entitled to the grant.
- Incoming resources from contracts and grants, where related to performance and specific deliverables, are accounted for as the Thera Trust charitable group earns the right to consideration by its performance. Where income is received in advance of performance it is treated as deferred income and included within creditors.
- No incoming resources have been included net of expenditure.

1.4 Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the Thera Trust charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of Thera Trust and include audit fees and costs linked to the strategic management of the Thera Trust charitable group.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Operating leases

Rentals under operating leases are charged to the statement of financial activities on straight line basis over the term of the lease.

Pension costs

Thera's group companies (Thera Trust, Thera North, Thera East, Thera East Anglia and Thera East Midlands, Thera Scotland, Thera West, Thera South West, The Quality Company and Dosh) participate in The Pensions Trust Ethical Fund. The scheme is a defined contribution scheme and the pension charge represents the amounts payable by each company to the fund in respect of the year.

The Camden Society participates in a Group Personal Pension Plan administered by AEGON. The plan is a defined contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

Thera East Midlands participates in the Nottinghamshire County Council Local Government Pension Scheme, and The Camden Society participates in the Oxfordshire Pension Fund and the London Borough of Southwark Pension Fund. These are defined benefit schemes. Contributions to the schemes are charged against net income in the period in which they are payable. The pension charges are based on a full actuarial valuation as disclosed in the relevant note to the financial statements. Contributions for this scheme are set by a qualified Actuary.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

1 ACCOUNTING POLICIES (continued)

1.4 Resources expended (continued)

Pension costs (continued)

Thera Trust participates in The Pensions Trust Social Housing Pension Scheme and Thera Trust, Thera East, Thera East Anglia, Thera East Midlands, Thera North Thera South West and the Camden Society also participate in the NHS Pension Scheme which are defined benefit schemes. Contributions to both schemes are charged against net income in the period in which they are payable. The pension charge is based on full actuarial valuations as disclosed in the relevant note to the financial statements. Contributions for the NHS scheme are set by the Government Actuary.

As detailed in note 22, in 2010 Forward Living ceased to participate in The Pensions Trust Growth Plan. As a result a contingent liability was triggered amounting to £86,569 for which Thera Trust acts as guarantor.

Irrecoverable VAT

The group is unable to recover all of the VAT payable by it. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

Thera Trust and Forward Housing SW are exempt from income tax and capital gains tax under Section 505 ICTA1988.

1.5 Fund accounting

Funds held by the group are unrestricted general funds (other than those otherwise disclosed). These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted funds

Restricted funds represent grants and donations received which are allocated by the donor for specific purposes.

Unrestricted funds and designated funds

Unrestricted funds represent funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds are those funds which are unrestricted in nature but which have been designated by the Trustees to be used in a particular manner.

1.6 Tangible fixed assets

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The cost less the estimated residual value of tangible fixed assets is depreciated over their estimated useful lives as follows:

Freehold land is not depreciated	
Freehold buildings	2 - 4% straight line
Leasehold buildings	Straight line over the lease term
Leasehold improvements	Straight line over the lease term
Office equipment	20 - 33.3% straight line
Furniture and fittings	20 - 33.3% straight line
Motor vehicles	20 - 25% straight line

THERA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

1 ACCOUNTING POLICIES (continued)

1.7 Investment and investment properties

All investments are included at market value. Any gain or loss on sale or revaluation is taken to the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sales proceeds and original cost. Unrealised gains and losses of the year are calculated as the difference between the market value at the year end and the opening market value or purchase date if later.

Investment properties are included in the Balance Sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Trustees, necessary in order to give a true and fair view of the financial position of the charitable company.

2 Financial activities of the parent charitable company

A summary of financial activities undertaken by the parent charitable company itself is set out below:

	2014	2013
	£	£
Gross incoming resources	5,909,493	5,288,073
Total expenditure on charitable activities	(5,085,692)	(4,143,792)
Costs of generating funds	(107,269)	(33,042)
Governance costs	(643,330)	(605,032)
	<hr/>	<hr/>
Net incoming resources	73,202	506,207
Total funds brought forward	4,027,711	3,521,504
	<hr/>	<hr/>
Total funds	<hr/> 4,100,913 <hr/>	<hr/> 4,027,711 <hr/>

Gross incoming resources are inclusive of donations made under gift aid of £1,647,208 (2013: £2,390,222) from its subsidiaries (as detailed in note 13).

3 DONATIONS

	Unrestricted	Restricted	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Legacy	-	-	-	1,606
Donations	1,511	9,361	10,872	13,944
	<hr/>	<hr/>	<hr/>	<hr/>
	1,511	9,361	10,872	15,550
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THERA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

4 GRANTS	Unrestricted	Restricted	Total	Total
	2014	2014	2014	2013
	£	£	£	£
The Big Lottery Fund	-	45,796	45,796	29,488
Scottish vocational qualifications grant	-	-	-	15,575
Skills around the Person grant	-	-	-	10,000
National Loan Guarantee Scheme	-	3,300	3,300	47,179
Social Investment Business grant	-	61,000	61,000	42,750
Social Enterprise Investment Fund	-	30,000	30,000	-
Other grants	-	-	-	500
	<hr/>	<hr/>	<hr/>	<hr/>
	-	140,096	140,096	145,492
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5 SUPPORTING PEOPLE WITH A LEARNING DISABILITY

The group received income for supporting people with a learning disability from local authorities, other organisations and individuals within the following geographical areas:

	2014	Group
	£	2013
		£
East Anglia	10,759,106	10,937,721
East	12,251,680	12,135,459
East Midlands	12,726,096	12,328,485
West	985,721	968,579
South West	4,444,553	4,411,967
North	2,806,385	2,975,731
Scotland	418,487	402,975
London	1,305,316	-
Home Counties	595,381	-
Other	27,255	16,648
	<hr/>	<hr/>
Incoming resources from charitable activities	46,319,980	44,177,565
	<hr/> <hr/>	<hr/> <hr/>

Included within rental income are aggregate rentals receivable in relation to operating leases totalling £325,262 (2013: £140,502).

6 CHARITABLE EXPENDITURE

Charitable expenditure is stated after charging:	2014	Group
	£	2013
		£
Operating leases – motor vehicles	337,090	353,994
Operating leases – land and buildings	180,034	238,166
Auditors' remuneration:		
- in respect of audit	93,803	75,654
- for other services	24,426	13,350
- for other services – adjustment in respect of prior year	17,382	12,868
Depreciation		
- of owned assets	203,270	218,452
Amortisation		
- of goodwill	8,000	8,000
	<hr/>	<hr/>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

7 TOTAL RESOURCES EXPENDED

The Group undertakes direct charitable activities only.

Group	Unrestricted	Designated	Restricted	2014	2013
Direct costs of Supporting Individuals	£	£	£	£	£
Staff and agency costs	37,495,771	-	-	37,495,771	36,436,043
Property costs	823,470	-	-	823,470	557,403
Other direct costs	1,279,916	1,821	119,770	1,401,507	1,223,132
Support costs (below)	5,958,342	-	-	5,958,342	5,157,618
	<u>45,557,499</u>	<u>1,821</u>	<u>119,770</u>	<u>45,679,090</u>	<u>43,374,196</u>
Exceptional costs (below)	315,294	-	-	315,294	302,501
Governance costs (below)	643,330	-	-	643,330	605,032
	<u>46,516,123</u>	<u>1,821</u>	<u>119,770</u>	<u>46,637,714</u>	<u>44,281,729</u>
	<u><u>46,516,123</u></u>	<u><u>1,821</u></u>	<u><u>119,770</u></u>	<u><u>46,637,714</u></u>	<u><u>44,281,729</u></u>
Support costs	Unrestricted	Designated	Restricted	2014	2013
	£	£	£	£	£
Staff and agency costs	3,432,548	-	-	3,432,548	2,966,041
Property costs	116,173	-	-	116,173	66,564
Depreciation, amortisation	211,270	-	-	211,270	226,452
Other support costs	2,198,351	-	-	2,198,351	1,898,561
	<u>5,958,342</u>	<u>-</u>	<u>-</u>	<u>5,958,342</u>	<u>5,157,618</u>
	<u><u>5,958,342</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5,958,342</u></u>	<u><u>5,157,618</u></u>

Exceptional costs

During this and the previous year, the Thera companies undertook a restructuring exercise and a review of staff terms and conditions of employment. As a result, exceptional costs were incurred in the year of £315,294 (2013: £302,501).

Governance	Unrestricted	Designated	Restricted	2014	2013
	£	£	£	£	£
Staff costs	432,717	-	-	432,717	436,578
Legal and professional	184,679	-	-	184,679	149,409
Other	25,934	-	-	25,934	19,045
	<u>643,330</u>	<u>-</u>	<u>-</u>	<u>643,330</u>	<u>605,032</u>
	<u><u>643,330</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>643,330</u></u>	<u><u>605,032</u></u>

THERA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

8 DIRECTORS AND TRUSTEES

The Articles of Association of the charitable company state that the number of Directors must be not less than four, of whom one must be an Executive Director, and the maximum number of Directors is fourteen, of whom no more than five shall be Executive Directors, such Executive Directors to be equal in status.

During the year there were 4 Executive Directors who received aggregate remuneration and expenses as follows:

	Remuneration £	Expenses £	Pension £	Total 2014 £	Total 2013 £
Mr S Conway	109,675	6,923	8,300	124,898	126,377
Ms J Garrigan	109,897	4,681	8,300	122,878	122,969
Mrs K Boyce-Dawson	102,958	6,404	15,000	124,362	125,515
Mr M Smith	39,633	4,231	1,189	45,053	43,184
	362,163	22,239	32,789	417,191	418,045
	362,163	22,239	32,789	417,191	418,045

Executive Directors are paid an equal level of salary, adjusted only for full time or part time hours, pensions and benefits in kind.

During the period retirement benefits were accruing to 2 (2013: 2) Directors in respect of multi-employer defined benefit pension schemes and to 2 (2013: 2) Directors in respect of a defined contribution scheme.

During the period 9 Trustees (2013: 9) received reimbursed expenses relating to travel and accommodation amounting to £25,934 (2013: £19,045). These amounts include the above expenses shown as payable to the Executive Directors.

The highest paid director received remuneration of £109,897 (2013: £109,658). The value of the employer's contributions paid to a multi-employer defined benefit pension scheme in respect of the highest paid director amounted to £8,300 (2013: £11,300).

9 EMPLOYEE NUMBERS AND COSTS

	2014 No	Group 2013 No
The average monthly number of employees during the year was:		
Direct and relief support work	2,153	2,111
Management and administration	159	140
	2,312	2,251
	2,312	2,251

Management and administration staff include Operational (Area) Managers

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

9 EMPLOYEE NUMBERS AND COSTS (continued)

Employment costs	2014	Group
	£	2013
		£
Wages and salaries	37,132,476	35,841,883
Social security costs	2,705,423	2,693,183
Other pension costs	778,417	1,016,663
	<hr/>	<hr/>
	40,616,316	39,551,729
	<hr/> <hr/>	<hr/> <hr/>

No disclosure has been made of the number of Executive Directors receiving total salaries and benefits in excess of £60,000 as their remuneration is disclosed in full in the above note.

5 employees received total salary and benefits of between £60,000 and £70,000 (2013: 4).

10 INTANGIBLE FIXED ASSETS

Group	Goodwill	Total
	£	£
Cost		
At 1 April 2013 and 31 March 2014	40,000	40,000
	<hr/>	<hr/>
Amortisation		
At 1 April 2013	9,333	9,333
Charge for the year	8,000	8,000
	<hr/>	<hr/>
At 31 March 2014	17,333	17,333
	<hr/>	<hr/>
Net book value		
At 31 March 2014	22,667	22,667
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
At 31 March 2013	30,667	30,667
	<hr/> <hr/>	<hr/> <hr/>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

11 TANGIBLE FIXED ASSETS

Group	Leasehold property and improvements £	Freehold land and buildings £	Fixtures fittings and equipment £	Total £
Cost of valuation				
At 1 April 2013	54,108	1,782,210	1,380,408	3,216,726
Additions	-	35,346	142,880	178,226
Acquired with subsidiary	420,943	220,000	649,612	1,290,555
	-----	-----	-----	-----
At 31 March 2014	475,051	2,037,556	2,172,900	4,685,507
	-----	-----	-----	-----
Depreciation				
At 1 April 2013	8,538	317,438	866,206	1,192,182
Acquired with subsidiary	122,442	-	359,240	481,682
Charge for the year	4,159	52,403	146,708	203,270
	-----	-----	-----	-----
At 31 March 2014	135,139	369,841	1,372,153	1,877,133
	-----	-----	-----	-----
Net book value				
At 31 March 2014	339,912	1,667,715	800,747	2,808,374
	-----	-----	-----	-----
At 31 March 2013	45,570	1,464,772	514,202	2,024,544
	=====	=====	=====	=====

Leasehold property includes a flat occupied by a person supported by the group held on a long lease. Included above is freehold land with a cost of £117,500 which is not depreciated.

THERA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

11 TANGIBLE FIXED ASSETS (continued)

Charity	Leasehold property and improvements £	Freehold land and buildings £	Fixtures fittings and equipment £	Total £
Cost of valuation				
At 1 April 2013	54,108	1,782,210	1,380,408	3,216,726
Additions	-	35,346	142,880	178,226
	-----	-----	-----	-----
At 31 March 2014	54,108	1,817,556	1,523,288	3,394,952
	-----	-----	-----	-----
Depreciation				
At 1 April 2013	8,538	317,438	866,206	1,192,182
Charge for the year	651	52,403	139,518	192,572
	-----	-----	-----	-----
At 31 March 2014	9,189	369,841	1,005,723	1,384,753
	-----	-----	-----	-----
Net book value				
At 31 March 2014	44,919	1,447,715	517,565	2,010,199
	=====	=====	=====	=====
At 31 March 2013	45,570	1,464,772	514,203	2,024,544
	=====	=====	=====	=====

Leasehold property includes a flat occupied by a person supported by the group held on a long lease. Included above is freehold land with a cost of £117,500 which is not depreciated.

12 INVESTMENT PROPERTIES

	2014 £	2013 £
At 1 April 2013	3,742,000	3,509,539
Additions to investment properties at cost	773,672	616,025
Revaluation during the year	(397,728)	(383,564)
	-----	-----
Market value as at 31 March 2014	4,117,944	3,742,000
	=====	=====

The investment properties in Devon were last formerly valued by Paul M Scammell (MRICS) of the DVS. The valuation was carried out as at 31 January 2011 however, the valuation was deemed valid as at 31 March 2011. The basis of the valuation was market value of the freehold interest with vacant possession. The total valuation of all 11 properties within the portfolio was £3,380,000.

During the year an additional investment property was acquired in Norfolk. The trustees are of the opinion that the market value at the end of the year equates to the price paid for the property.

Thera Trust

Notes to the Financial Statements for the year ended 31 March 2014

12 Investment Properties (continued)

As at 31 March 2014, the Trustees have considered the value attributed to the investment properties and are of the opinion that the valuation should be reduced to £4,117,944. The basis of the valuation of the Devon properties is on discounted cash flows. The Trustees have also considered the need for an impairment review and have concluded that no signs of impairment have occurred.

All of the investment properties are located within the United Kingdom. All of the above properties are held for use in operating leases.

13 Investments

Wholly controlled subsidiary undertakings

The parent charitable company wholly controls the following companies and charitable companies:

Company	Country of registration or incorporation	
Thera East Anglia	England and Wales	Limited by guarantee
Thera East	England and Wales	Limited by guarantee
Thera East Midlands	England and Wales	Limited by guarantee
Thera North	England and Wales	Limited by guarantee
Thera West	England and Wales	Limited by guarantee
Thera South Midlands	England and Wales	Limited by guarantee
Thera Limited	England and Wales	Limited by guarantee
Thera (Scotland)	Scotland	Limited by guarantee
Thera South West	England and Wales	Limited by guarantee
Dosh Limited	England and Wales	Limited by guarantee
The Quality Company Limited	England and Wales	100% ordinary share capital
Forward Housing SW	England and Wales	Limited by guarantee
Uemploy Limited	England and Wales	Limited by guarantee
The Camden Society	England and Wales	Limited by guarantee

Thera Limited is dormant and has not traded during the year. This company is limited by guarantee and has no assets or liabilities.

The trading subsidiaries are wholly controlled by the parent charitable company and undertake a range of activities in fulfilment of the group's charitable objects. Where the subsidiary is in a net asset position, the directors of the subsidiary have determined in each case that the taxable surplus of the subsidiary for the year be gift aided to the parent charitable company.

THERA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

13 INVESTMENTS (continued)

Wholly controlled subsidiary undertakings (continued)

The aggregate amount of capital and reserves and the results of the subsidiary undertakings for the last relevant financial year were as follows:

	Income £	Expenditure £	Gift aid and other transfers £	(Deficit)/ surplus for the year £
Thera East Anglia	10,759,106	(10,022,648)	(736,458)	-
Thera East	12,251,680	(11,804,638)	(447,042)	-
Thera East Midlands	12,726,096	(12,555,367)	(170,729)	-
Thera North	2,806,385	(2,879,263)	-	(72,878)
Thera West	985,721	(1,064,977)	-	(79,256)
Thera South Midlands	142,151	(42,151)	(100,000)	-
Thera (Scotland)	418,487	(565,015)	-	(146,528)
Thera South West	4,449,553	(4,256,574)	(192,979)	-
Dosh Limited	225,237	(297,950)	-	(72,713)
The Quality Company	281,197	(292,457)	-	(11,260)
Forward Housing	350,189	(527,717)	-	(177,528)
Uemploy Limited	-	(20,485)	-	(20,485)
The Camden Society	2,151,311	(1,877,815)	-	273,496
	<u>47,547,113</u>	<u>(46,207,057)</u>	<u>(1,647,208)</u>	<u>(307,152)</u>
		Assets	Liabilities	Capital and reserves
		£	£	£
Thera East Anglia		1,271,605	(1,271,605)	-
Thera East		1,730,720	(1,730,720)	-
Thera East Midlands		1,463,665	(1,463,665)	-
Thera North		194,258	(522,960)	(328,702)
Thera West		188,998	(633,560)	(444,562)
Thera South Midlands		5,000	(5,000)	-
Thera (Scotland)		143,530	(645,905)	(502,375)
Thera South West		738,389	(738,389)	-
Dosh Limited		17,259	(483,725)	(466,466)
The Quality Company		11,282	(315,874)	(304,592)
Forward Housing		4,371,350	(1,291,457)	3,079,893
Uemploy Limited		5,049	(25,534)	(20,485)
The Camden Society		1,774,333	(2,062,742)	(288,409)
		<u>11,915,438</u>	<u>(11,191,136)</u>	<u>724,302</u>

THERA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

13 INVESTMENTS (continued)

Joint Venture

Thera South West is a member of Dartmoor Care Consortium Limited (DCCL). This is a joint venture arrangement along with eight other provider organisations in Devon. The consortium was established in response to Devon County Council's new commissioning framework.

There is no cost of investment to Thera South West as DCCL is a company limited by guarantee. It is incorporated in England and Wales. The most recent set of financial statements available for DCCL is for the period ended 31 March 2014.

Dartmoor Care Consortium Limited acts as an intermediary between Devon County Council and the consortium's member companies in the delivery of contracts arising under a Devon County Council framework agreement for community enabling care and support.

Acquisition of The Camden Society

	Book Values £	Fair value adjustments £	Fair values £
Current assets	1,024,566	-	1,024,566
Current liabilities	(2,233,494)	-	(2,233,494)
	<hr/>	<hr/>	<hr/>
Net current liabilities	(1,208,928)	-	(1,208,928)
Fixed assets	808,873	-	808,873
Long term liabilities	(161,848)	-	(161,848)
Costs of acquisition	(48,708)	-	(48,708)
	<hr/>	<hr/>	<hr/>
	(610,611)	-	(610,611)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

On 30 January 2014, The Camden Society joined the Thera Group. No consideration was paid in respect of the acquisition.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

14	DEBTORS	Group		Charity	
	2014	2013	2014	2013	
	£	£	£	£	
	Due after more than one year				
	Amounts owed by group undertakings	-	-	5,952,346	4,363,604
	Due within one year				
	Operational debtors	3,627,403	3,450,413	77,258	77,213
	Other debtors	528,133	297,158	50,059	6,279
	Prepayments and accrued income	2,885,700	2,853,613	476,566	441,840
		<u>7,041,236</u>	<u>6,601,184</u>	<u>6,556,229</u>	<u>4,888,936</u>

Analysis of debtors due within one year

	The Camden Society	Other	Group
	2014	2014	2014
	£	£	£
Operational debtors	644,080	2,983,323	3,627,403
Other debtors	17,346	510,787	528,133
Prepayments and accrued income	238,933	2,646,767	2,885,700
	<u>900,359</u>	<u>6,140,877</u>	<u>7,041,236</u>

15 CASH AT BANK

At the balance sheet date, Dosh Limited also held funds on behalf of people with a learning disability supported by Dosh Limited in a separate general account amounting to £21,436 (2013: £3,188) and in individual accounts amounting to £2,938,992 (2013: £2,627,032). These funds have not been included as assets or liabilities of the group.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Bank loans and overdrafts	1,719,723	593,384	1,647,941	591,565
Amounts due under finance leases	76,242	79,387	76,242	79,387
Operational creditors	1,202,250	642,728	475,294	516,318
Social security and other taxes	1,658,293	814,995	62,512	69,579
Other creditors	707,762	706,584	156,237	115,457
Accruals and deferred income	3,112,367	3,298,309	971,066	389,235
	<u>8,476,637</u>	<u>6,135,387</u>	<u>3,389,292</u>	<u>1,761,541</u>

Analysis of creditors falling due within one year

	The Camden Society 2014 £	Other 2014 £	Group 2014 £
Bank loans and overdrafts	71,040	1,648,683	1,719,723
Amounts due under finance leases	-	76,242	76,242
Operational creditors	638,994	563,256	1,202,250
Social security and other taxes	949,372	708,921	1,658,293
Other creditors	78,262	629,500	707,762
Accruals and deferred income	172,884	2,939,483	3,112,367
	<u>1,910,552</u>	<u>6,566,085</u>	<u>8,476,637</u>

17 NET CURRENT LIABILITIES

	The Camden Society 2014 £	Other 2014 £	Group 2014 £
Debtors	900,359	6,140,877	7,041,236
Cash at bank and in hand	75,799	1,032,306	1,108,105
Creditors: amounts falling due within one year	<u>(1,910,552)</u>	<u>(6,566,085)</u>	<u>(8,476,637)</u>
	<u>(934,394)</u>	<u>607,098</u>	<u>(327,296)</u>

The Camden Society is financed separately from the rest of the Thera Group and its liabilities are ring-fenced.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

**18 CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Bank loans	1,752,115	1,565,091	1,599,925	1,565,091
Amounts due under finance leases	44,359	88,920	44,359	88,920
Amounts owed to group undertakings	-	-	-	279,173
	<u>1,796,474</u>	<u>1,654,011</u>	<u>1,644,284</u>	<u>1,933,184</u>

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Analysis of loans				
Loans repayable	1,991,213	1,725,528	1,767,983	1,725,528
Included in current liabilities	<u>(239,098)</u>	<u>(160,437)</u>	<u>(168,058)</u>	<u>(160,437)</u>
	<u>1,752,115</u>	<u>1,565,091</u>	<u>1,599,925</u>	<u>1,565,091</u>
Loan maturity analysis				
One – two years	243,247	161,065	172,207	161,065
Two – five years	1,315,528	1,178,634	1,234,378	1,178,634
In more than 5 years	<u>193,340</u>	<u>225,392</u>	<u>193,340</u>	<u>225,392</u>
	<u>1,752,115</u>	<u>1,565,091</u>	<u>1,599,925</u>	<u>1,565,091</u>

Within bank loans is a Bank of Scotland loan of £0.3m which is secured by a first legal charge over the Grantham freehold property. The interest is charged at 1.65% per annum over the bank base rate and the loan is repayable by 28 November 2024.

There is also a Barclays £1.0m overdraft facility and a £1.2m term loan which are 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, a second legal charge over properties held by Forward Housing SW and a floating charge over the assets of Thera (Scotland).

In addition, there is a Barclays £0.2m term loan which is secured by a first legal charge over three group properties.

Finance leases are secured over the assets to which they relate.

THERA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

19 ANALYSIS OF CHARITABLE FUNDS

	Balance at 31 March 2013	Incoming resources and transfers £	Outgoing resources and transfers £	Balance at 31 March 2014 £
Unrestricted fund movements				
General fund	3,865,937	5,806,251	(5,714,781)	3,957,407
Designated fund movements				
Designated development fund	9,666	-	(1,741)	7,925
	<hr/>	<hr/>	<hr/>	<hr/>
	3,875,603	5,806,251	(5,716,522)	3,965,332
Restricted fund movements				
Support for Ms TE	2,500	-	(144)	2,356
L and D learning library	332	-	(332)	-
Loughborough sensory room and garden	979	-	(57)	922
BLF Boston sensory room	186	-	-	186
Pelaw Court bequest	1,780	-	(177)	1,603
BLF Speaking for Myself project, Reaching Communities programme	14,478	38,280	(30,488)	22,270
Suffolk relocation grant	3,838	-	(503)	3,335
Other property-specific projects	12,793	3,037	(2,082)	13,748
Sensory stimulation equipment, Lindisfarne	2,400	-	(590)	1,810
Ashlea holiday fund	336	-	-	336
The Hollies fund	40,329	-	-	40,329
L and D generic training	82	-	-	82
Forensic support training	257	-	(257)	-
Holiday support fund	832	824	(285)	1,371
Horse riding, Boston	194	500	(198)	496
Scottish vocational qualifications	15,575	-	(15,575)	-
Skills around the Person	10,000	-	(7,251)	2,749
National Loan Guarantee Scheme	44,386	3,300	(11,214)	36,472
Social Investment Business grant	831	61,000	(61,831)	-
BLF Boston activities	-	7,516	-	7,516
Social Enterprise Investment Fund	-	30,000	(30,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	152,108	144,457	(160,984)	135,581
CHARITY TOTAL	4,027,711	5,950,708	(5,877,506)	4,100,913
Unrestricted fund movements				
General fund	(1,826,101)	40,935,704	(41,809,681)	(2,700,078)
Designated fund movements				
Meet the Dragons	5,000	-	(80)	4,920
Restricted fund movements				
Property improvement fund – capital	297,493	-	-	297,493
Property acquisition fund	3,116,967	-	-	3,116,967
Dolphins' Den	-	5,000	-	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
GROUP TOTAL	5,621,070	46,891,412	(47,687,267)	4,825,215

THERA TRUST

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014**

19 ANALYSIS OF CHARITABLE FUNDS (continued)

	Balance at 31 March 2014	Incoming resources and transfers	Outgoing resources and transfers	Balance at 31 March 2013
Reconciled to:				
Unrestricted funds	2,039,836	46,741,955	(47,524,462)	1,257,329
Designated funds	14,666	-	(1,821)	12,845
Restricted funds	3,566,568	149,457	(160,984)	3,555,041
	<hr/>	<hr/>	<hr/>	<hr/>
GROUP TOTAL	5,621,070	46,891,412	(47,687,267)	4,825,215
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Set out below is the description, nature and purpose of each of the above named funds:

Designated funds

Meet the Dragons

Funding to continue the development of Dosh Limited.

Restricted funds

Support for Ms TE

Amount donated to provide support to Ms TE.

L and D learning library

Funding for learning equipment to enable staff to give better quality support.

Loughborough sensory room and garden

NHS and other charitable funds to pay for the fit-out and equipping of a sensory room and a sensory garden project.

BLF Boston sensory room

Funding from a Big Lottery Fund Awards for All grant of £10,000 in a previous year for the fit out and equipping of a sensory room. No expenditure has been incurred during the current year.

Pelaw Court bequest

A bequest for the purchase and running costs of a vehicle for the residents of Pelaw Court.

BLF Speaking for Myself project, Leicestershire

Self-advocacy project for six groups in Leicestershire, funded by the Big Lottery Fund Reaching Communities programme. Grants received in the year amount to £38,280, and expenditure in the year amounted to £30,488.

Suffolk relocation grant

Funding towards the cost of relocation of nine people in Suffolk into their own homes.

Other property-specific projects

Various other property-specific projects undertaken.

Thera Trust

Notes to the Financial Statements for the year ended 31 March 2014

19 ANALYSIS OF CHARITABLE FUNDS (continued)

Sensory stimulation equipment fund, Lindisfarne

This fund arises from charges made to organisations and individuals for the use of sensory equipment located at Lindisfarne for the purposes of maintaining and replacing that equipment.

Ashlea holiday fund

The Ashlea Holiday Fund arises from a donation received which is to be used to assist service users living at Ashlea to meet the cost of holidays.

The Hollies fund

This fund arises from a legacy received which is to be used for the benefit of the service users living in The Hollies and for The Hollies itself.

L and D generic training

Funding for staff training to enable staff to give better quality support.

Forensic support training

Funding received for staff training to facilitate the support of people who may be at risk of criminal activities.

Holiday support fund

Amount donated to cover additional holiday support costs for people supported by Thera.

Horse riding, Boston

Amount donated to cover horse riding costs for an individual within Thera East Midlands.

Scottish vocational qualifications

Funding received from the Scottish Government's Voluntary Sector Development Fund for the upskilling of staff within the Scottish vocational qualification framework.

Skills around the Person

Funding received from Skills for Care to identify the skills that staff need to provide personalised support.

National Loan Guarantee Scheme

Funding received as a grant towards future interest costs of a bank loan that was drawn down during a previous year.

Social Investment Business grant

Grant awarded by The Social Investment Business from their Investment and Contract Readiness Fund.

BLF Boston activities

Funding from a Big Lottery Fund Awards for All grant of £7,516 for sporting and leisure activities. No expenditure has been incurred during the current year.

Social Enterprise Investment Fund

Funding received towards information technology equipment.

Dolphins' Den

Funding received by Thera South West towards the Dolphins' Den project.

19 ANALYSIS OF CHARITABLE FUNDS (continued)

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

Property improvement fund

These derive from grants received towards the cost of specific property improvements. These are detailed further in note 20 below. Separate improvements carried out at each property have been combined to show the total for each property. The restrictions are applicable until such time as the property may be disposed of.

Property acquisition fund

These derive from the grant made by the former South and West Devon Health Authority to meet the total cost of eleven properties acquired from the Secretary of State for Health. In 2011 the grant was replaced by a grant from the Torbay Care Trust. In the past, the balance in the fund as at the balance sheet dates equals the value of the properties included within Investment Properties less any improvements carried out as per Note 20 below. However, any current additions are unrestricted and do not increase the value of this fund.

20 ANALYSIS OF PROPERTY IMPROVEMENT FUNDS

The funds below represent work carried out at the properties of a capital nature where the cost of the work is included within the value of the properties included within Investment Properties.

	Lindisfarne £	Eastcombe £	Ashlea £	Leigh House £	Hollies £	Brioc £	Total £
Balance at 1 April 2013 and 31 March 2014	18,933	84,293	146,197	22,634	8,626	16,810	297,493
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Designated £	Restricted £	Total £
Intangible fixed assets	22,667	-	-	22,667
Tangible fixed assets	2,808,374	-	-	2,808,374
Investment properties	703,484	-	3,414,460	4,117,944
Net current assets	(480,722)	12,845	140,581	(327,296)
Long-term liabilities	(1,796,474)	-	-	(1,796,474)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2014	1,257,329	12,845	3,555,041	4,825,215
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

22 PENSION COSTS

The Pensions Trust Ethical Fund

The group participates in The Pensions Trust Ethical Fund which is a defined contribution scheme for the benefit of its employees. Contributions payable to the scheme amounted to £119,676 (2013: £100,971). The amount outstanding in respect of the Plan at the year-end was £63,768 (2013: £66,137).

Local Government Pension Scheme

Thera East Midlands participates in Nottinghamshire County Council's Local Government Pension Scheme (NCCLGPS). The Scheme is funded and is contracted-out of the State Pension scheme.

Contributions payable during the period amount to £59,167 (2013: £76,219). The amount outstanding in respect of employer and employee contributions for this Scheme at the year-end was £5,417 (2013: £7,542).

As at the balance sheet date there were 16 (2013: 19) active members of the Scheme employed by Thera East Midlands.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 31 March 2013 by a professionally qualified Actuary using the Projected Unit and Attained Age Methods. The market value of the Scheme's assets at the valuation date was £3,470 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £620 million, equivalent to a past service funding level of 85%.

The next triennial formal valuation of the Scheme is due as at 31 March 2016. The results of the valuation will be available in the Spring of 2017.

Thera East Midlands has not been notified by Nottinghamshire County Council of the estimated employer debt on withdrawal from the NCCLGPS. However, at the request of the Council, Thera East Midlands has put in place an on-demand bond to meet the level of risk arising in the event of insolvency, winding up or liquidation of the company, as assessed by the Council following actuarial advice. This bond is in the sum of £90,000, and has been provided by HCC International Insurance Company Plc.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

22 PENSION COSTS (continued)

Social Housing Pension Scheme (SHPS)

Thera Trust participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and was contracted-out of the State Pension scheme. However, from 1 April 2013, Thera Trust adopted the defined contribution structure of the scheme, it previously having operated under a defined benefit structure.

During the accounting period Thera Trust paid total contributions of £140,055 (2013: £116,411) which included £78,971 (2013: £51,576) of past service deficit contributions. At the year end, £13,661 (2013: £53,018) was outstanding in respect of the Scheme.

As at the balance sheet date there were 48 (2013: 12) active members of the Scheme employed by Thera Trust.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out.

The market value of the Scheme's assets at the date of the Actuarial Report was £2,718 million. The Actuarial Report revealed a shortfall of assets compared with the value of liabilities of £1,151 million, equivalent to a past service funding level of 70%.

During the year, Thera Trust adopted the contracted-out defined contribution structure of the scheme for future service from 1 April 2013 for all current members. In addition, the scheme has been reopened to new members and will be the vehicle for pensions auto-enrolment for staff working for Thera Trust.

Potential employer debt is treated as a contingent liability

Thera Trust has been notified by The Pensions Trust of the estimated employer debt on withdrawal from SHPS based on the financial position of the Scheme as at 30 September 2013. As of this date the estimated employer debt for Thera Trust was £3,813,342.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

22 PENSION COMMITMENTS (continued)

NHS Pension Scheme

For some employees, who have previously worked in the NHS, Thera Trust, Thera East Anglia, Thera East Midlands, Thera East, Thera North, Thera South West and The Camden Society also participate 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 £413,738 (2013: £723,063). The amount outstanding at 31 March 2014 was £25,655 (2013: £85,480).

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at: www.nhsbsa.nhs.uk/pensions.

The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is 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, the 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 the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (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 the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2014, is based on valuation data as at 31 March 2013, updated to 31 March 2014 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS19, 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

22 PENSION COMMITMENTS (continued)

NHS Pension Scheme (continued)

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes was carried out as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

Annual Pensions

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

Lump Sum Allowance

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This provision is known as "pension commutation".

Pensions Indexation

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Ill-Health Retirement

Early payment of a pension, with enhancement, is available to members of the Scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity.

Death Benefits

A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

Early Retirement

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

22 PENSION COMMITMENTS (continued)

NHS Pension Scheme (continued)

Additional Voluntary Contributions (AVCs)

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

The Pensions Trust Growth Plan

Forward Living used to participate in The Pensions Trust Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State Scheme. The Plan is a multi-employer pension plan. Contributions payable during the period amounted to £Nil (2012: £Nil).

On 22 February 2010, a transfer of contracts and all employees was made from Forward Living to a fellow subsidiary of the Thera Group, Thera South West, at which date Forward Living ceased to participate in the Plan. The parent charity, Thera Trust, acts as a guarantor of a floating liability amounting to £86,569 which would crystallise should the Plan at some time in the future be wound up or an event occurs as a result of which there are no remaining employers participating in the Plan.

AEGON Group Personal Pension Scheme

The Camden Society participates in a Group Personal Pension scheme administered by AEGON, which is a defined contribution scheme for the benefit of its employees. As at the balance sheet date there were 26 active members of the Scheme employed by the Society. The scheme was closed to new members from 29 April 2014.

The Pensions Trust Flexible Retirement Plan

From 1 April 2014 The Camden Society began to participate in The Pensions Trust Flexible Retirement Plan, which is also a defined contribution scheme.

London Borough of Southwark Pension Fund

The Camden Society also participates in the London Borough of Southwark Pension Fund, part of the national Local Government Pension Scheme. This is a multi-employer, defined benefit scheme and the assets of the scheme are held separately from those of the charity in independently administered funds. As at the balance sheet date there were 13 active members of the Scheme employed by the Society.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

Southwark Council has confirmed that The Camden Society's employer contributions to the Scheme will be at a fixed rate whilst it remains an employer in the scheme, and that the Council will take responsibility for any funding deficit arising should The Camden Society cease to be a member in the Scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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22 PENSION COMMITMENTS (continued)

Oxfordshire Local Government Pension Scheme

The Camden Society also participates in the Oxfordshire Local Government Pension Scheme. This is a multi-employer, defined benefit type scheme and the assets of the scheme are held separately from those of the charity in independently administered funds. As at the balance sheet date there were 40 active members of the Scheme employed by the Society.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

Oxfordshire County Council has confirmed that it will take responsibility for any funding deficit arising should The Camden Society cease to be a member in the Scheme.

23 NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	2014	2013
	£	£
Reconciliation to changes in resources		
Net movement in funds	(185,244)	(115,449)
Interest paid	107,269	33,042
Interest received	(578)	(531)
Depreciation of tangible fixed assets	203,270	218,452
Amortisation of intangible fixed assets	8,000	8,000
Unrealised losses on investment properties	397,728	383,564
Decrease / (Increase) in debtors	290,583	(1,118,777)
(Decrease) / Increase in creditors	(694,398)	540,150
	<hr/>	<hr/>
	126,630	(51,549)
	<hr/> <hr/>	<hr/> <hr/>
 24 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	 2014	 2013
	£	£
(Decrease) / Increase in cash	(951,089)	267,275
Repayment of loans and finance leases	319,409	105,796
Cash inflow from increase in debt	(482,888)	(1,367,829)
New finance leases	(55,057)	(203,529)
Movement in net debt	<hr/>	<hr/>
Net funds at 1 April 2013	(1,169,625)	(1,198,287)
	<hr/>	<hr/>
Net debt at 31 March 2014	(1,314,709)	(116,422)
	<hr/> <hr/>	<hr/> <hr/>
	(2,484,334)	(1,314,709)
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

25	ANALYSIS OF NET CASH LESS DEBT	At 1 April 2013	Cash flow	Acquisition	At 31 March 2014
		£	£	£	£
	Cash at bank and in hand	1,012,074	96,032	-	1,108,106
	Overdraft	(432,762)	(1,047,121)	-	(1,479,883)
		<u>579,312</u>	<u>(951,089)</u>	<u>-</u>	<u>(371,777)</u>
	Debt due within one year	(240,010)	244,967	(321,040)	(316,083)
	Debt due after one year	(1,654,011)	19,385	(161,848)	(1,796,474)
		<u>(1,314,709)</u>	<u>(686,737)</u>	<u>(482,888)</u>	<u>(2,484,334)</u>

26 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 there were annual commitments under non-cancellable operating leases as follows:

Land and buildings	Group 2014	Charity 2014	Group 2013	Charity 2013
	£	£	£	£
Expiry date:				
Within one year	51,245	24,726	20,347	20,347
Between two and five years	126,685	38,173	51,774	51,774
After five years	127,939	49,389	48,139	48,139
	<u>305,869</u>	<u>112,288</u>	<u>120,260</u>	<u>120,260</u>
	<u><u>305,869</u></u>	<u><u>112,288</u></u>	<u><u>120,260</u></u>	<u><u>120,260</u></u>
Other operating leases	Group 2014	Charity 2014	Group 2013	Charity 2013
	£	£	£	£
Expiry date:				
Within one year	65,184	57,996	75,507	75,507
Between two and five year	258,981	248,229	250,891	250,891
	<u>324,165</u>	<u>306,225</u>	<u>326,398</u>	<u>326,398</u>
	<u><u>324,165</u></u>	<u><u>306,225</u></u>	<u><u>326,398</u></u>	<u><u>326,398</u></u>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

27 CONTINGENT LIABILITIES

The grant received from Torbay Care Trust is repayable if the subsidiary, Forward Housing SW, breaches terms attaching to the grant, including:

- (a) Ceasing to use the property for special needs housing;
- (b) Disposing of the property.

In these circumstances, the amount repayable is the open market value of the property but excluding the value of any improvements which Forward Housing SW has paid for using its own resources.

In 1977 The Camden Society received a grant from the London Borough of Camden towards the purchase of property in Brightlingsea, Essex.

Under the grant agreement, should the property be disposed of and the proceeds not be reinvested in an alternative property for the aims of the charity, then the London Borough of Camden have the right to request a proportion of the sale proceeds.

28 CAPITAL COMMITMENTS

At the balance sheet date, Forward Housing SW had contracted for works to be carried out at one of the properties amounting to £nil (2013: £71,236). At the balance sheet date, Forward Housing had approved but not contracted for the purchase and refurbishment of a property in Devizes at a cost of £308,000 (2013: £nil) and the refurbishment of a Devon property at a cost of £75,000 (2013: £nil).

29 POST BALANCE SHEET EVENT

Subsequent to the year end, at an AGM on 26 November 2014, the members of Equal Futures, a Scottish charitable company limited by guarantee, decided to amend their Articles of Association and join the Thera Group with effect from 1st January 2015. Equal Futures employs community connectors to build and maintain lifelong circles of support around a person.

30 LEGAL STATUS OF THE CHARITY

The charity and its subsidiaries are companies limited by guarantee and have no share capital (with the exception of The Quality Company which has 1 Ordinary Share of 1 pence). The liability of each member in the event of winding up is limited to £1.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

31 RELATED PARTY TRANSACTIONS

In line with the exemption conferred by Financial Reporting Standard number 8, Thera Trust has chosen not to disclose related party transactions between the group companies on the grounds that Thera Trust controls either 100% of the voting rights or has full control of the board in relation to its subsidiary undertakings and consolidated financial statements are prepared.

Transactions with Directors

Gareth A Jackson was a director of Thera North until 5 November 2013. Gareth was also Group Director of Development and New Business at Progress Housing Group Limited until 30 June 2013. Thera Group companies and Progress Care Housing Association Limited, a subsidiary of Progress Housing Group Limited, have a number of service level agreements. During the period 1 April to 30 June 2013, amounts charged under these agreements by Thera Group companies to Progress Care Housing Association Limited were £36,342 (2013: £144,537).

Thera Group companies also leased properties to and from Progress Care Housing Association Limited. During the period 1 April to 30 June 2013 rental and property charges received and paid by Thera Group companies amounted to £19,590 (2013: £107,238) and £309,112 (2013: £428,247) respectively.

Michael Dearlove, a director of Thera East Anglia, is also Managing Director of EACS Limited. During the year to 31 March 2014, EACS Limited has provided IT hardware, management and support to the Thera Group. Amounts invoiced by EACS Limited to Thera during the year were £251,191 (2013: £497,194).

Gareth Morgan who was a director of Dosh Limited during the year, is also Managing Director of Ferret Information Systems Limited, which during the year to 31 March 2014 provided Thera companies with welfare benefits software and training. Amounts invoiced by Ferret Information Systems Limited to Thera companies during the year were £186 (2013: £4,308).

Bill Carter, Chairman and a director of Thera Trust, has provided consultancy services to Thera Trust during the year under a contract for services. The amount charged to the company during the year for this consultancy and associated expenses amounted to £13,631 (2013: £13,537).

Jeff Dandridge who was a director of Thera Trust during the year, was also a non-executive director and shareholder of Shop4Support Limited until 19 February 2014. Thera Trust is working with Shop4Support Limited in respect of developing software to host Thera's contract management database. Amounts invoiced by Shop4Support Limited to Thera Trust during the year were £78,442 (2013: £131,928).

Richard Andrews, a director of Thera West, is also director of Newton Stanley Limited. In the previous year, Newton Stanley Limited provided recruitment services to Thera Trust amounting to £22,680.

Dennis Rowley, a director of Thera North, has provided consultancy services to Thera Trust during the year. The amount invoiced for this consultancy and associated expenses amounted to £11,165 (2013: £11,957). In addition, Dennis Rowley is also an employee of Equal Futures, a registered charity, to which Thera Trust made a grant of £10,000 during the previous year. Denis Rowley also became an employee of Thera Trust during the year and was paid a salary of £10,946, and reimbursed £2,389 for expenses incurred.