



THERA TRUST

Registered No: 03593418

Charity No: 1090163

TRUSTEES' CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

THERA TRUST

CONTENTS

	Page
Introduction	2
Report of the Directors and Trustees (Including Strategic Report)	3 - 79
Report of the Independent Auditor	80 - 89
Summary of Money	90
Consolidated Statement of Financial Activities	91
Balance Sheets	92
Consolidated Statement of Cash Flows	93
Notes to the Financial Statements	94-131

THERA TRUST

INTRODUCTION

**These papers tell readers what the company has been doing
between April 2016 and March 2017.**

**The directors have written about what has gone well and what
needs development.**

You can see how the company has managed its money.

The accounts have been checked by our Auditor – Sayer Vincent LLP

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

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

The Directors are pleased to present their report and financial statements for the year ended 31 March 2017.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name	Tera Trust
Charity Registration Number	1090163
Company Registration Number	03593418
Country of registration	England and Wales
Country of incorporation	United Kingdom
Registered Office	134 Edmund Street Birmingham B3 2ES
Principal Address	The West House Alpha Court Swingbridge Road Grantham Lincolnshire NG31 7XT

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Company Secretary

Simon Conway

Auditor

Sayer Vincent LLP
Statutory Auditor
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

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

Garner Canning
11 Aldergate
Tamworth
B79 7DL

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

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

BOARD OF TRUSTEE DIRECTORS

Members of the Board of Trustee 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:

William Carter (Chairman)

Michael Morgan (Snr Independent Director)

Karen Boyce-Dawson

Christine Chang

Simon Conway

Jennifer Garrigan

Peter Jones

Martin Pilkington

Matthew Smith

Brian Young

Jon Wilson (appointed 24 November 2017)

Details of Trustee remuneration are detailed in Note 7 to the accounts.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

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).

The law applicable to charities in England and Wales requires the Trustees 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 application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

- ✓ 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 operation.

The Board of Directors is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and of the Group 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.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2017



report

Report of the Directors and Trustees¹

"I always find it useful to review a draft of our Annual Report, before writing my introduction, as the stories it tells about the way in which Thera has a direct impact on people's lives provides an opportunity to reflect on the difference that we make. This year is no exception. It provides confirmation that we do make a difference, not only to the people we support, but also to their families and carers.

This is demonstrated not only by the many positive stories which bring this report to life, but also in the production of our second Social Impact Report, which is independently verified by Investing for Good. Notably, as part of their assessment, Thera achieved the highest possible score for positive social impact for a second time, and this year we also achieved the highest for financial confidence for the first time. Two quite remarkable achievements, a credit to all concerned. The report is accessible on the website should you wish to read it.

Thera is now 19 years old, and the Group is made up of 28 companies. Development has continued apace during the past year supporting more people, and, in order to ensure that the Group's

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.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES

(INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

governance requirements keep pace, the Nominations Committee has worked hard to recruit people who wish to join companies within the Group as directors. Boards have appointed a number of new chairmen, who meet regularly to exchange views and experience, as well as being updated on activity and performance across the Group. One recently appointed chairman commented that the Chairmen's Forum creates a sense of community, which is one of many across Thera. Chairmen work closely with the Nominations Committee to identify and select candidates for appointment as directors. A comprehensive induction is provided, so if you feel you might like to make a contribution, please look at the further detail available on our website.

Our Trustees have taken time in the current year to explore what sort of activities Thera might be undertaking in ten years' time. All companies in the Group have contributed their thoughts and ambitions, and, following feedback through various fora within the Group, Trustees updated our strategic direction and are now developing more detailed scenarios to help guide future work. In parallel work, an updated management contingency and succession planning process is under way, to ensure that our senior teams remain capable of delivering our plans over that period.

Working in today's world of social care is very demanding, and an increasingly complex group brings together a wide range of people

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

and organisations, in differing capacities, to support Thera in delivering progress against its Vision for people with a learning disability. Our Trustees are enormously grateful for that support, for which I thank you all on their behalf, particularly our staff who work so very hard to make sure that we do our best to support people in leading the lives they choose. For my own part, I also thank the trustees and directors of all companies in the Group for their support to me during the year.

One point which I find particularly pleasing is our ability to attract good staff with a variety of skills, knowledge and experience . Overall it remains a challenge, set against a backdrop of low unemployment, particularly in some of the areas which our companies operate in, but I see many good people joining Thera, and some even re-joining. Learning and development is encouraged to allow our teams to continue to develop the ability to provide good support, and I see leadership potential being developed around the organisation.

I hope you will find time to read the report, as we look forward to an exciting twentieth year in the life of Thera, and early steps towards the next ten years. I hear whisperings of celebrations being developed in the background for our anniversary!"

Bill Carter
Chairman

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017



What is Important for Thera

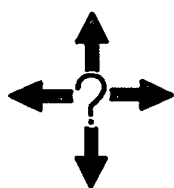
Thera has always said that the people it supports must be involved in how the organisation does its job. Thera's Vision clearly sets out Thera's philosophy to demonstrate the abilities of people with a learning disability and to ensure their control of, and involvement in, Thera:

- ✓ 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

Although people with a learning disability have a greater profile in society today than they did previously, there is still considerable prejudice and misunderstanding. People with a learning disability, particularly those with complex needs, often remain hidden away.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Thera's Vision remains as relevant and necessary as it was when the organisation was first established.



direction

Strategic Direction

Since the year end, Thera Trust's trustees have reviewed and updated Thera's strategic direction. It remains focussed on people with a learning disability and continues to broaden the range of care, support, services and activities that Thera undertakes; and it builds on the organisation's success:

- ✓ Supporting People to Have a Great Life, including:
 - continued focus on supporting people with complex needs
 - improving access to specialist health care
 - developing further our capacity and skills to support younger people with a learning disability
- ✓ Supporting More People and Working in More Areas
- ✓ Creating Opportunities for People Beyond Exclusive Activities and Paid Support
- ✓ Offering Employment and Training Opportunities to More People in More Areas
- ✓ Expanding Development Opportunities for Leaders with a Learning Disability
- ✓ Facilitating Access to Specialist Housing Within People's Chosen Communities

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES

(INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

- ✓ Building the Capacity of Communities to Welcome, Offer More Social Connections to, and Support People with a Learning Disability
- ✓ Supporting Other Organisations that Share Thera's Vision
- ✓ Engaging in Research and Proactively Influencing Society for the Benefit of People with a Learning Disability
- ✓ Protecting Thera's Vision as the Organisation Develops
- ✓ Developing Further the Empowerment, Autonomy and Accountability of Teams around People with a Learning Disability
- ✓ Building Our Charitable Reserves

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

Thera's objects, aims and activities continue to be charitable and provide benefit both directly and indirectly to individuals in need. The

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."

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

organisation does not restrict its activities on the basis of ability to pay and nor are they unreasonably restricted in any other way.

Throughout each year, Thera Trust's trustees track progress of our strategic plan which delivers our Strategic Direction. The content of this report sets out how the Group achieved its objectives last year.



support

Thera Supports People with a Learning Disability

As of 31 March 2017, Thera was providing support to almost 2,800 people with a learning disability (31 March 2016 – 2,300) in over 65 local authority areas (31 March 2016 – 50) across the country.

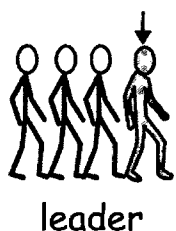
The range of Thera's work is now described in its Social Impact Framework. After the year end, our second independent Social Impact Report was produced showing Thera's performance against this framework. This can be viewed online at http://www.thera.co.uk/content/uploads/2017/04/Investing_For_Good_Thera_Impact_Report.pdf

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 employ staff who are experienced in supporting social enterprises, in helping people to find somewhere suitable to live or

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

with financial advocacy, in helping people into and in employment, in helping employers wishing to offer accessible employment and in helping people to employ their own staff.

The day to day stories from people we work with continue to inspire us! They demonstrate individual achievement in so many ways and, in particular, 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. Some of their stories are included throughout this report and illustrate the work that Thera does and the impact that we have in people's lives.



Promoting People's Place in Society

Thera promotes the leadership abilities of people with a learning disability by employing them in senior roles within the organisation and offering them membership of their local Thera company. Thera also aims to support people to have a voice as citizens.

Peter Hawkins is a non-executive director with a learning disability on Thera South West's Board of Directors: "I have been wanting to go to London on my own for a long time and, thanks to Thera, I had the chance to do it. It's changed my life and I am so happy."

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017



Individual (Direct) Support – Supporting People to Have a Great Life!

This is the main area of Thera's work. We aim to support people to achieve their ambitions, increase their independence and social/personal well-being with support in many aspects of their day-to-day lives, helping them to maintain a tenancy and build circles and networks of support in their local community.

“Robert’s” Story

“Robert” started being supported by Thera in 2016. “Robert” lives in his own house, which at the time was very run down and sparse, with limited furniture and very few personal touches that made the home his own.

“Robert” recruited his own team of staff who have worked hard with “Robert” to help him access his local community. One of his major achievements has been decorating and personalising his home. This has had a huge impact on his life and he really is enjoying his new environment. “Robert” has increased in confidence and trust with his team and has now started using public transport confidently, which is a big step for “Robert’s” independence.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

“Andrew’s” Story

“Andrew” moved into his new house just over a year ago. Since moving in, he has been going shopping, bowling, to church and has gone back to Gateway Club, which he hadn’t attended for 12 years. Although “Andrew’s” parents visit him twice a week, since moving in he has taken delivery of his own Motability car, which enables him to visit his parents more often. A few months after moving in, “Andrew” was contacted by Social Services to inform him that he has a half-sister who he had no idea about. “Andrew” has since met his half-sister a couple of times and has been out with staff to meet her for lunch. “Andrew” is constantly telling the staff team and his parents how happy he is.

“Mark’s” Story

“Mark” lives quite remotely in the Highlands and has experienced issues of hate crime and social isolation. With Thera’s support, “Mark” has been more engaged with his local community and has started to build trust in people around him. “Mark” has developed over the past year and felt confident enough to present his life story to Thera’s local

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES

(INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

leadership team and is now applying for a post as Quality Assessor for The Quality Company, as he knows what good and bad support looks like and wishes to help people voice their opinions on their support in the future.

“Peter’s” Story

After many years of feeling anxious about travelling in any form of vehicle, “Peter” was supported to experience travelling by bus, train and car with the dedicated and ongoing support of his staff team. With his new found confidence, “Peter” has developed his ability to get involved in his local community by going in a car to local shops and also managed travelling by train to a nearby town to watch a pantomime.

Much of this aspect of Thera’s work is intensive 24 hour support, to people with complex support needs, in their own homes and alongside them in their local communities. This support is undertaken by Thera’s regional companies, including Ansar Projects, The Camden Society and Aspire Living.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

"Tara's" Story

When Thera started supporting "Tara" in October 2016, she had a reputation for behaviour which was continually challenging to others and to her environment. She had a whole staff team made up of agency workers and no full time staff for herself. Thera made a commitment to "Tara" and to her family to work with them to build her own team who understood "Tara" and her needs. "Tara" now has a full, consistent team who understand her needs and her enthusiasm to enjoy her life. "Tara's" challenges have much reduced. She is involved in her local community daily, engages with all the activities that she loves to do and has a trusting relationship with her staff.

"Tara's" Dad commented: "I returned home from work on Friday evening around 9pm feeling absolutely exhausted after an incredibly stressful week, but after reading an email from Kate [Community Support Leader], I physically leapt out my chair and danced around with sheer joy! You have no idea what it means to [us] to hear about these wonderful milestones and the significance of them is just massive! I have always said that if we can make "Tara" feel safe and secure in her environment, surround her with well-trained positive people and be consistent with our approach, then "Tara" will absolutely flourish and this is what we're beginning to see now.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

It is absolutely crystal clear that the ethos of Thera is centred around the individual and it's very evident that all their staff have bought into this because [we] can see that on a daily basis every decision that is made around "Tara's" care plan puts her thoughts, feelings and well-being first. We are all aware that "Tara's" care needs are complex and sometimes challenging but the real difference here is about how Thera are responding to those particular complexities and challenges and how the staff are now feeling so much more confident which is having a huge positive impact on "Tara". The communication between ourselves and Thera is just first class and it really feels as if we're working together to build an amazing service for "Tara". It is completely refreshing to have open and honest conversations about certain aspects of "Tara's" care plan and every issue [we] raise with Kate is never interpreted as us being critical, in fact, it's the complete opposite, which just makes things so much easier.

The last 12 months have certainly been challenging to say the least and [we] couldn't have got to this point without the amazing support and belief from people like Monika, Sheilis and Seonaid [staff team members] which we're extremely grateful for, but I firmly believe that this is just the beginning. Let's keep working together which in turn will give "Tara" the best possible life she can have."

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

“John” starts Walking!

“John” was very poorly a couple of years ago and suffered major weakness in his legs afterwards. He used to shuffle around the floor on his bottom but even stopped doing this as he was not strong enough anymore. “John” could walk with the help of two people but he was starting to pull on their arms as he leaned forward due to his posture. “John’s” staff didn’t want him to lose his remaining mobility and worked with occupational and physiotherapists until a walking frame was found that supported “John” with a seat if he got tired but also supported him all around his body. “John” uses this a couple of times a day to help strengthen his legs and is walking a lot better and independently.

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

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES

(INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

“Sam” was really pleased to receive a present from a local shopkeeper as he has been developing really good relationships with people in his local community. “Sam” feels a lot more confident going out and meeting new people.

“Marion” had a really good birthday: meeting up with Mum and presents from her sister and getting cakes from a neighbour on her street. She would like to see her family a lot more often and has got to know a lot of the neighbours in her street.

“Danny” asked a member of staff “how were they feeling today.” “Danny’s” mum was delighted as, due to his Autism, he rarely starts a conversation.

“Paula” has been supported and encouraged by her staff team to eat more healthily and she is very happy that she has lost a stone in weight.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2017



Employment, Training and Social Enterprise Programme

Through Unity Works, The Camden Society supports people with a learning disability into work across London. This includes working through its social enterprises - catering, gardening, warehousing and distribution, in addition to working alongside a number of FE colleges to support young people of 19-25 years to progress from vocational courses into employment. The Camden Society's expertise is starting to be shared more widely across the Group.

"Fatima" told us: "When I was first referred to the Lambeth Employment Project, I didn't have a lot of confidence and didn't think there were many jobs out there for me. My employment adviser helped me to find a volunteer placement at the Brunel Museum, showing visitors around the museum and working in the gift shop. I went to lots of interviews and did lots of practice and now I have a job in the women's shoe department at Debenhams. I'm really excited to develop my career."

Others said: "With help from The Camden Society we get opportunities. They treat people equally and help with difficult things", "This is the only organisation that has helped me fill in the forms, get

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

a job and helped me to travel”, “Everyone at The Camden Society is very approachable and innovative about projects. They know about what is going on in Government and have a good knowledge base about what works to support people with a learning disability.”



Dolphins'
Den

Supporting Entrepreneurs

Through our Dolphin's Den initiative, we support people with a learning disability to set up their own business or community project.

“Keira” came to Dolphins’ Den without a clear business idea. The Dolphins’ Den team worked with “Keira” to identify her skills and what she loves doing. It became clear very soon that “Keira” is excellent at, and loves, talking to and helping people. At the workshops, the Dolphins’ Den team worked with “Keira” to figure out how she could use these skills to set up her own business. After the first few sessions, “Keira” came up with the idea that she would like to use her skills to set up her own meet and greet business.

“Keira” was matched with a mentor who was a marketing professional, specialising in running events. They started working together to identify the types of events “Keira” would like to target with her business and how she will promote herself.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES

(INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

“Keira” loves her mentor and regularly talks about how much she enjoys it during the workshops. To get more experience, “Keira” also got a job as a meet and greeter for half a day a week to keep her skills in shape.

As the mentoring continues, “Keira” will be meeting and greeting people at the Dolphins’ Den celebration event on Tuesday 16 January 2018. The project also hopes to support “Keira” and her business by paying her for her services and promoting her business at the celebration event.

82 Crafts and Creations is a new shop in Whittlesey. It sells handmade items and craft supplies. A project was led by a group of people we support and staff, from designing the logo through to deciding what the shop would sell and how it should look. Everyone worked incredibly hard to get the shop ready for the opening, including upcycling furniture and promoting the launch day in the community. The launch day took place on Friday 9 December 2016 and it was very successful. The Mayor of Whittlesey came along to cut the ribbon! The people we support are now enjoying spending time at the shop, gaining new skills, and making and selling their own handmade items. There has been lots of support from the local crafters’ community, with many people signing agreements to sell their own items in the shop.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017



Housing Support

housing

Thera provides a housing brokerage service to help people with a learning disability find somewhere to live.

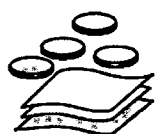
Forward Housing own, lease and adapt property for people with a learning disability who are finding it difficult to identify a suitable house to meet their specific needs.

Thera also provides support to people to move on from residential care accommodation to become tenants either in situ or in alternative accommodation.

“Joel” lived with his Mum but wanted his own home. Thera supported “Joel” to find a property he wanted to live in. It was provided by Forward Housing and designed and decorated to meet “Joel’s” specific needs. “Joel” has always been a shy man and, having moved in to his house, was supported with some role play sessions to lead his own review and was able to say what ambitions he had. “Joel” is now able to spend some time independent of any support, achieving tasks on his own after an increase in his confidence.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

“Jonathan” was also living in his family home and wanted his own place. Thera worked with “Jonathan” and his family both to help him find a property and to recruit his own staff team. After moving in, “Jonathan” has now also purchased his own car and is confidently able to use public transport, which is something he has always found difficult in the past.



finance

Financial Advocacy and Corporate Appointeeship

Dosh provides specialist, person-centred financial advocacy and support to manage individual budgets and direct payments as well as corporate appointeeship services to individuals.

“Dave” had been in different institutions for most of his life. In each place someone new would manage his money. “Dave” wouldn’t know the person managing his money or be told how much money he had.

Dosh started supporting “Dave” when he moved somewhere new and his social worker wanted him to have more support with his money. “Dave’s” advocate was told that he had lots of savings, but no one knew where they were being kept. His Financial Advocate called lots of different people to find out where “Dave’s” money was. Eventually

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

she talked to someone who had managed “Dave’s” money a long time ago. They finally arranged to transfer the money to “Dave’s” Dosh account – all £18,000 of it! Now “Dave” is able to use his money to do the things he enjoys. He loves music and soon he is going to buy a big sound system for his room.



Quality Assurance

The Quality Company provides peer quality reviews of formal care and support. These are carried out by Quality Assessors with a learning disability supported by Quality Partners. A written report is provided to the person themselves and to their care and support provider.

“David” (Quality Assessor) and “Mary” (Quality Coordinator) work for The Quality Company.

“Last summer, “David” and I were pleased to start part time work with The Quality Company. For “David” this was his first job in paid employment. “David” is a Quality Assessor and I am a Quality Supporter which means that I support him in his role. We visit people supported by Thera (Scotland) to check if they are happy with their

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

support and that it is good quality. This checking process is different from other audits as it is undertaken by someone with lived experience of a learning disability. Our visits are pre-arranged and usually last about an hour. "David" asks the same, or very similar questions at every visit. In my role as supporter, I write down all the answers. All of our visits are relaxed and informal. The advantage of checking support in this way is that "David" knows some of the experiences people have and often knows the people that we are visiting and the places that people enjoy going to. Our conversations can touch on some serious issues, for example feeling safe at home and when you are out, but these same conversations can also lead to much laughter. "David" has been asking lots of questions for a year now, so I decided that it was time to ask "David" some questions!

"Mary": What do you like about your job as Quality Assessor?

"David": I really like meeting different people, I enjoy talking to them and I also like to check if they are happy with their home and the support that they receive.

"Mary": How do you spend the rest of your time when you're not working for The Quality Company?

"David": I work as a volunteer in a charity shop two days a week. I do lots of different things. For instance, I go to a monthly group advocacy meeting. I also have certificates for fundraising in the community.

"Mary": What do you enjoy spending your money on?

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

“David”: I like to spend it going on holiday. Last year I went to Emmerdale in Yorkshire.

“Mary”: Who does the cooking and housework in your home?

“David”: I do, but I don’t think I’m very good at it!

These are the kind of questions that “David” would ask in a quality check. We are looking forward to meeting more people in the future.”



Community Capacity Building

Thera works to build the capacity and capability of people’s communities to be accepting and involving of their neighbours. Equal Futures help build and sustain circles of support around individuals with a learning disability currently living with their family. Thera (Scotland), Equal Futures and Neighbourhood Networks formed the TEN project to increase the informal networks of those people reliant on paid formal support in their lives.

Equal Futures was funded for a year to work with four people in a residential care setting for people with complex support needs. The participants had no significant family involvement or friendships, or connections beyond the residential service in which they lived. This

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES

(INCLUDING STRATEGIC REPORT)

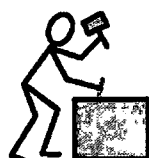
year ended 31 March 2017

combination of factors produced challenges to build 'Circles' in the timescale. One individual spoke of wanting "just one friend" and an Equal Futures' Development Worker facilitated a relationship which has grown into a genuine friendship. Another individual found it difficult meeting with new people. She started a private Facebook page on which she shared her artwork. The Development Worker facilitated connections with people she knew who shared an interest in art. The interactions this person had gave her confidence to meet up with the friends she made on social media.

"Will" has been supported to go to Chelmsford Community Radio Station (CCR) every Saturday by his personal assistant, "Carl". "Will" loved it the first time he went and the team at the radio station got along with him really well – not surprising, as "Will" loves to socialise! "Carl" introduced "Will" to some of the admin work that the team does, including how to prepare a show and edit the music ready for airplay. After a while they recorded a couple of shows together. During this time, "Will" got to know the Saturday crew, the station founders and a few other faces. It wasn't long before he was invited to go live on air on the rock show with "Angela". At first, "Carl" was with him for support, then he realised he was not needed and "Will" started going on his

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

own. This led to “Will” being offered his own live show every other Saturday morning. Besides the usual radio work, “Will” has mucked in with other jobs that needed to be done. Everyone is a volunteer at CCR, so any work that needs doing they have to do themselves. “Will” is a much loved part of the team. “Will’s” sister, “Judy”, said: “Will” is absolutely delighted to be part of the team at CCR. He has always loved playing music, so being involved with the radio station is something that he loves doing. It has really given him a sense of achievement and renewed self-worth.”



role

The Role of Thera Trust

Thera Trust is the parent charitable company of the Thera Group. It has four roles:

- ✓ as a registered charity overseeing the Group’s charitable activities and resources;
- ✓ as the parent company of the other 27 companies in the Group;
- ✓ in delivery of special charitable projects, research and co-ordination of group-wide fund-raising;
- ✓ as a provider of central support functions to the Group.

In its registered charity role, Thera Trust has ultimate accountability to all of the people supported by Thera companies, as its beneficiaries, to ensure that Thera fulfils its charitable objectives as set out in its

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

governing document, operates for the public benefit and complies with charity law and uses its charitable resources in the best interests of those beneficiaries. It also has a responsibility to ensure that the support and services provided by Thera companies meet the needs of its beneficiaries and are provided within the terms of its charitable objects.

Thera Trust also provides support and advice to subsidiary companies offering people with a learning disability company membership of their local Thera company, in line with Thera's Vision. Matthew Smith and Jenny Garrigan, Directors of Quality and Involvement from Thera Trust, provide mentoring to Service Quality Directors (our paid executive directors with a learning disability) in their leadership roles, as well as to the increasing number of non-executive directors with a learning disability.

Matthew and Jenny have continued in their work coaching and mentoring the Service Quality Directors and their Executive Assistants. Across the Group there are 3 well established Service Quality Directors, who alongside Matthew, will be celebrating their 10 years with Thera in the coming months. We also have Service Quality Directors who are newer in post and those who have been with us up to 7 years. Aspire Living, who joined Thera Group on 25 November 2015, benefits from the leadership of one of our more established

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Service Quality Directors. Thera (Scotland) recruited a new Service Quality Director at the end of the year, filling an existing vacancy.

All of the Service Quality Directors carry out a self-assessment of their performance using Thera's own development matrix. This supports our newer Service Quality Directors to recognise their skills and development needs to support their growth in their new role. Others use it to maintain and develop their skills, knowledge and experience. Across the Group, there is a good range of skills, enabling good leadership of our local Thera companies, by people with a learning disability. In addition, there are those who are contributing to Thera Group as a whole and externally.

To support and enable our leaders with a learning disability, each Service Quality Director has an Executive Assistant. Again, we are fortunate to have a range of talented people in these posts from a range of different backgrounds. The Service Quality Director for Thera South Midlands welcomed his new Executive Assistant at the beginning of the year.

As the parent company of the Thera Group, Thera Trust has overall responsibility for a variety of governance matters including the appointment of directors to company boards, the strategic planning

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES

(INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

and monitoring of the Group and a range of regulatory responsibilities.

Thera Trust aims to support people to have a voice as citizens and increasingly leads a range of specific charitable activities and projects. Thera Trust also leads the Group's fund-raising efforts, drawing on skills and experience in other companies in the Group. Increasingly, we seek to influence and make a difference generally for people with a learning disability both locally and nationally.

Gig Buddies Scotland has been going from strength to strength in the past few months and January was all about Independent Venue Week (IVW)!

IVW is a week-long celebration of independent music venues across the UK. In November last year they got in touch with Gig Buddies. They wanted us to put on a show to raise awareness of people with additional support needs. We jumped at the opportunity to collaborate with IVW and it was their first awareness gig in their four years of running the festival! One of our aims at Gig Buddies is to get people out to the events they have a passion for. For this event, we wanted to show that people with additional support needs can be the headline act - and that's exactly what we did.

The event took place on Sunday 29 January at The Electric Circus in Edinburgh. We were absolutely blown away by the amount of people

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

who came along to support live music. Our very own Gig Buddies pairing, Sam and Marsaili, opened the show and then The UPMO Experience (part of the Upward Mobility Project) rocked the house as our amazing headline act!

Thera Trust also provides a range of specialist corporate functions to companies across the Group and can also provide services directly to individuals with a learning disability, such as payroll services to individuals who wish to employ their own staff.



location


Where Thera Works

During 2016-17, Thera supported people in many parts of England including the East Midlands, East Anglia, the North West, North East, South Midlands and the South West. The Camden Society supports people across 13 London boroughs and in Oxfordshire and Aspire supports people in Herefordshire as well as those people previously supported in the West Midlands by Thera West. Thera (Scotland) supports an increasing number of people in South East Scotland and the Highlands. Dosh also supports people in South Wales.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

This map shows the areas that Thera covers.

KEY

 The areas that Thera covers



People with a Learning Disability Help Direct and 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.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

People can be company 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. Company members can also elect an independent director to represent their views on their local company board.

Thera East Anglia has had its broader membership in place since August 2015. Steven Norfield was appointed by the company members as the Independent Director on Thera East Anglia Board at their Annual General Meeting in 2015. Steven Norfield has led, with the support of the Service Quality Director and Executive Assistant, regular informal meetings of the members.

“During 2016-17, the membership meetings have been structured in a more formal fashion and have included an increased number of speakers and events. This has added value to the meetings for the members who are now more informed on several subjects which are directly linked to them, such as voiceability or the Care Quality Commission inspections. It has also become apparent that members are now seeing this as a platform to raise questions and issues which has taken some time to really come to the forefront. Recent decisions have been made by the members to relocate their meetings to a new venue and to reduce spending on food and sundries to pay for mini-

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

courses and guest speakers as a way of the members getting more practical use from the meetings. We hope 2017-18 will allow members' meetings to become a more educational experience as a direct result of their own decisions."

Steven Norfield

Independent Director, Thera East Anglia

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.

19

Thera is 19 Years Old!

19

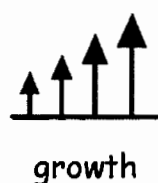
Thera Trust was incorporated on 6 July 1998, as a not-for-profit company limited by guarantee and having no share capital. Thera started trading in August 1998, supporting five people in Cambridgeshire. Thera was registered as a charity on 18 January 2002.

The company was established under a Memorandum of Association which established its objects and powers and is now governed under an updated set of Articles of Association. In the event of the

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

company being wound up, members are required to contribute an amount not exceeding £1.

We have agreed the theme of “leadership” for our 20th anniversary celebrations in 2018 and events are starting to be planned with enthusiasm! Something to look forward to!



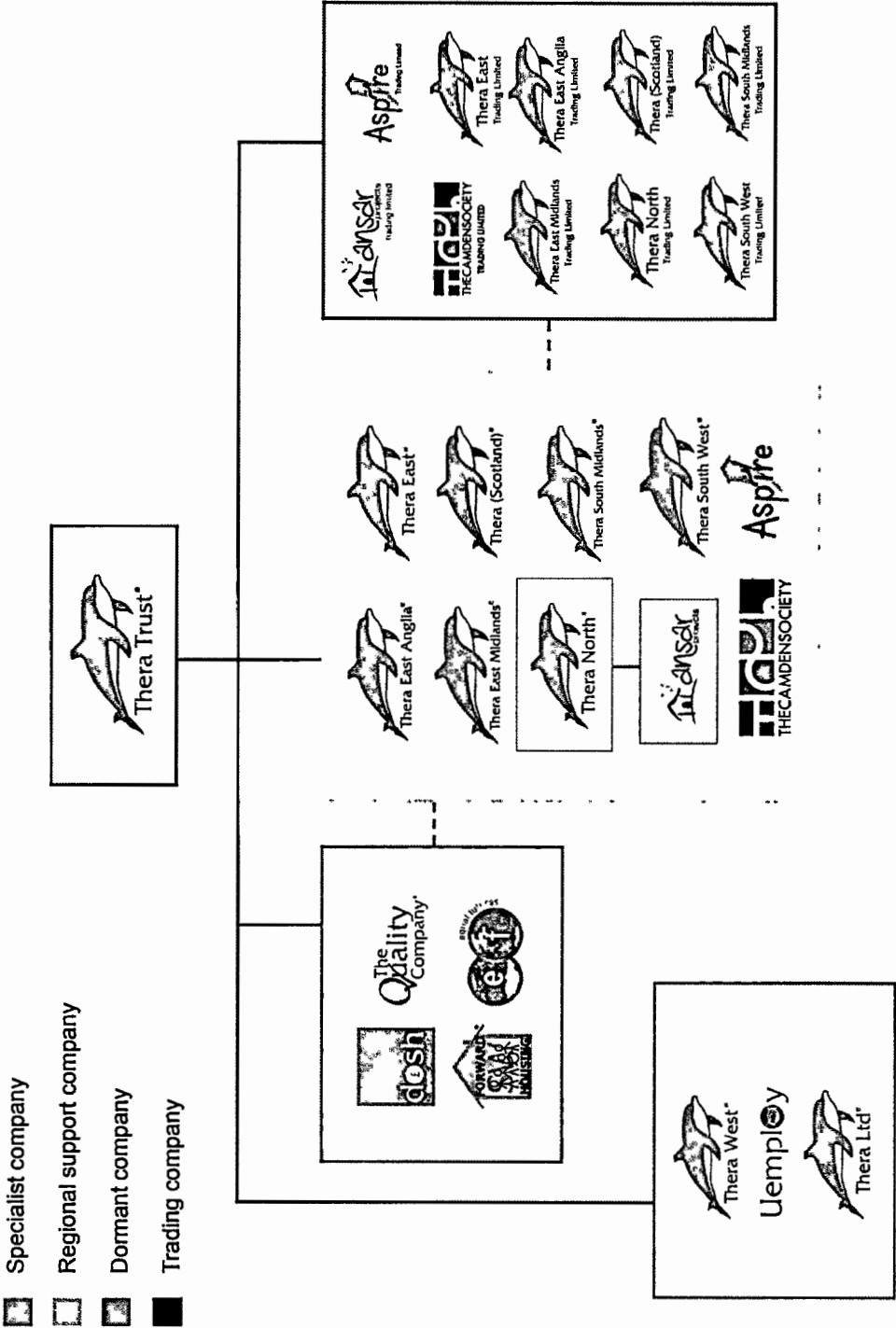
There are 28 Thera Companies!

As Thera has grown and developed, it 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 their company.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)

year ended 31 March 2017



THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Thera North started supporting people on 1 April 2005. Thera East Anglia and Thera East Midlands started supporting people on 1 January 2006. 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 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, was incorporated on 9 August 1999 and registered as a charity on 29 November 1999. Forward Housing SW joined the Thera Group on 1 January 2009.

Thera has set up three companies to provide specialist support to people. These companies all work nationally. The Quality Company

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.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

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 was incorporated on 17 February 1995 and registered as a charity on 4 March 1995. The Camden Society joined the Thera Group on 30 January 2014.

On 1 January 2015, Equal Futures, a Scottish charitable company limited by guarantee joined the Thera Group. Equal Futures was previously incorporated on 24 October 2002 and registered as a charity on 24 October 2002.

On 25 November 2015, Aspire Living, a charitable company limited by guarantee working in Herefordshire, joined the Thera Group. Aspire was previously incorporated on 4 June 1992 and registered as a charity on 16 August 1993.

Uemploy, Thera West and Thera Ltd. were dormant during the year to 31 March 2017.

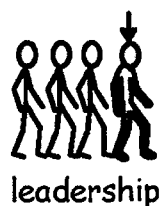
THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

On 21 March 2016, Thera Trust purchased the entire share capital of Ansar Projects, a provider of residential care services to people with a learning disability and autism or dual diagnosis.

Details of each individual company's activities and money can be found in their respective reports and accounts.

On 28 March, 2017, Thera incorporated nine contract management companies to work alongside those regional companies providing direct care, support and services. These companies will manage the contracts issued by local authorities, allowing regional companies to focus on providing care, support and services to people with a learning disability.



Leadership by People with a Learning Disability

Each regional company within the Thera Group has a paid service quality director on its board or senior management team, 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.

Each service quality director is expected to bring their experience of having a learning disability to the way the board leads the

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

organisation. There are currently 9 paid directors with a learning disability employed across the Group.

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

"I became a Non-Executive Director for Thera South West in January 2013. I had been working for 13 years in the voluntary sector as an advocate. I worked for Devon People First for about eight years. This involved supporting people with a learning disability to have a voice in society. As a Non-Executive Director, I quickly became aware of the Thera role in supporting people with a disability and also the Board's role in the support and understanding of the work.

I was aware of the Service Quality Director role as my predecessor was a colleague on the Board.

I had never had a paid job and it was my ambition to obtain one. Obviously the SQD role was an ideal route to pursue.

I have been able to use my previous experience to the full and am really enjoying the opportunity to improve the support Thera provides. Both as a Non-Executive Director and subsequently as Service Quality Director I have been able to offer insight and understanding to board members on issues around disability. This personal experience of disability is invaluable to fellow members of the Board.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

They are always appreciative of my help.

My Executive Assistant supports me to do this. He makes sure I am briefed in a timely way and available when needed. He enables me to do the job I do in an efficient and effective way”.

Sam Holman

Service Quality Director, Thera South West



staff

Thera Employs Good Staff

At the end of the year the Thera Group employed over 3,250 people (March 2016 – 3,100), the majority of whom are support workers.

Our staff are the most important part of Thera 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.

Funding challenges over recent years in the social care sector have made it extremely difficult to reward staff to the extent that we would have wished. It was a welcome change towards the end of the year to

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

see many of our local authority customers acknowledging the need for providers to be able to recruit and retain high quality staff in an increasingly competitive labour market and to start to accept an increase in prices. We were pleased to be able to make a pay award to staff in January and again in the new financial year.

As befits an organisation with Thera's Vision, we are committed to ensuring that all job applicants and employees are treated fairly and valued regardless of sex, disability, race, age, marital status, sexual orientation, religion, colour, ethnic or national origin. We value diversity and social inclusion across all our activities and our recruitment process ensures that all applicants have equal opportunity for employment within the Group.

A number of companies in the Group run a staff awards scheme taking nominations from people they support and families/carers. These schemes have been a great success and we are considering investing funds to formalise the awards under the control of our Employee Consultative Councils.

At a series of well attended training events around the Group, Thera's Learning and Development team launched Thera's "Good Conversations" approach to building relationships, including those amongst people we support, families, staff, those we manage and external stakeholders.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Under Thera's approach to positive behaviour support launched last year, we continue to support the qualification and re-certification of (currently) 25 PROACT-SCIPr-UK® instructors.

Total Talent, Thera's programme for identifying and supporting exceptional people, proved a great success in its first year. Candidates are taking full advantage of the excellent opportunities provided to develop, including coaching, shadowing, placements, projects and sector leadership skills seminars.

Family members of people we support, and our staff, seem to think well of Thera too - here's a few examples!

"I am extremely happy with the service "Laura" receives. [Her] Financial Advocate goes above and beyond, [and] always ensures that she seeks "Laura's" views and that "Laura" understands. She is person centred in her approach and "Laura" feels very comfortable with her."

"I started with Thera in 2005 as a Support Worker in Newark. This was my first job after leaving college. I loved it! I have [been] in my post as Community Support Leader since 2011 and have loved every

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2017

minute of it! There have been some really tough times, but the good times have definitely outweighed them. I'm learning every day and no two days are the same for me. The difference we make [in] the lives of people we support gives me such a great feeling!"

"I joined Thera in June 2016 and have enjoyed every moment of working [for] the company. The team and management have been, and still continue to be, very supportive throughout every day. I love supporting individuals with a learning disability so much there is a moment every day where I say to myself 'I love my job'. I was recently awarded Support Worker of The Year, which has made me so proud to continue what I enjoy doing. My mum has recently joined Thera after me highly recommending the role. I'm glad I took the step to become a Support Worker [and] I am so happy with how far I've come in a short amount of time."

"There are lots of support providers out there all claiming to be person centred, values based, etc. I've worked for other well established providers and Thera are different in that they practice what they preach. Like any other company, Thera has its challenges

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

but at the heart of absolutely everything are the people it supports. I've been with Thera for just over a year and one of the things I love most about this company other than its values, are my colleagues. Thera is blessed with lots of people at all levels that go over and above on a daily basis. There are some incredibly dedicated, flexible, talented, funny, slightly crazy people working in Thera and I wouldn't want to be anywhere else."

"Back in August 2016 I decided after nearly 16 years to leave Thera. It was an extremely tough decision...but...next Wednesday I start back with Thera and I am so excited to be returning and I can't wait to start supporting the people supported to achieve their dreams. Thera first and foremost has always put the people supported first and continues to do so! The people supported and staff are amazing, and I can't wait to be a part of it again. Thank you for having me back!"

"I am approaching my ninth year with Thera and I wouldn't want to be with anyone else. I love my colleagues, the people we support are great, and there are new challenges every day. The number of long-serving staff says all you need to know. As a Team Co-ordinator, mentoring new staff is one of the parts of the job I love the most."

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2017



Company News from 2016-17

Annual reports necessarily highlight key events, achievements, themes and organisational matters. We should not though forget that, on a day to day basis, Thera now supports almost 2,800 people with over 3,250 staff. Over 6,000 people therefore rely on the organisation in one form or another! This is the core of what we do as you can read from the many stories from people we support and members of staff included throughout this report.

Some specific company news from last year is also worthy of report.



Aspire

Following an award of contract, Aspire started supporting an extra 51 people in Herefordshire, increasing the number of people they support by around a third! The contract involved the successful transfer in a challenging timescale of 89 staff.



Forward Housing

Forward Housing continued to work with Cheyne Capital and made available a further 24 properties for 50 more tenants during the year and a further 56 people were advised by Forward Housing's Housing Broker.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Further news and stories can be found in the reports of each individual company.



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 January 2015 and FRS102.

Thera's financial position has again improved during the course of 2016-17.

Thera's income in 2016-17 continued to come largely from contracts with Local Authorities 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 comes directly from individuals supported by Thera, who are taking advantage of the control that Direct Payments and Individual Budgets gives them. As Thera broadens the range of its activities, a small but increasing proportion of income is earned through grant funding.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Group incoming resources in 2016-17 were £64.6m (2015-16: £56.2m re-stated). The increase reflects support to more people across the Group. Income in 2017-18 is expected to be around £65m, as we make increased use of the capacity with the Group's infrastructure and see the full year effect of contracts starting part way through 2016-17.

During the year, the Group retained a surplus from its charitable activities during the year of £0.8m after governance and exceptional costs.

Whilst a pleasing result, it could have been better. Two companies in the Group overspent against their budget considerably. In one case, this was due to some substantial contract management challenges and a difficult relationship with a local authority customer. In the other, a rapid increase in the number of people supported in one area meant considerably more implementation costs than would normally be expected. In both cases, the company board put in place management actions to mitigate the impact of these circumstances as far as possible.

In addition, Forward Housing's Trustees have recognised a donation in the accounts representing the addition, without payment of any consideration, of the economic benefit inherent in certain leases

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

granted by Forward Housing measured at fair value over their extended lifetime.

Following completion of the transaction by Forward Housing last year to remove legal charges on some of its properties, further advice has been taken on the treatment of the transaction in Forward Housing's accounts. As a result, a prior year adjustment to the Forward Housing property portfolio has been made in the sum of £567k committed in July 2013, of a total of £956k, which total sum was expended in cash in relation to completion of the transaction during 2016-17 and is shown as a reduction in the carrying value of investment properties.

As a result of all of the above, a net £2.6m was added to the Group's reserves at the year end

EBITDA (excluding exceptional items) was £1.3m (2015-16 £1.4m)

Several companies in the Group - The Camden Society, Aspire Living, Equal Futures and Forward Housing - are registered charities in their own right. Other than Forward Housing, each has some success in local fund-raising activities, the details of which are reported separately in their respective reports and accounts.

Charitable funding received by Thera is applied to the benefit of people with a learning disability through the Group's wider charitable

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

objectives. This may be through support to smaller companies in the Group or specific charitable projects and, during the year, trustees again made a number of monetary grants to individuals to meet specific requests for financial support. Trustees have also maintained the discretionary fund to reward individual members of staff who demonstrate a particular contribution to the Charity's objectives.

Details of the results for each of our subsidiary companies can be found in note 15 to the accounts later in this document and in their individual separately published accounts.



investor

Investor Support

As previously reported, on 1 May 2015, Thera Trust raised £1m from the issue of a social impact bond arranged by Investing for Good. The unsecured bond is listed on The Luxembourg Stock Exchange and pays interest at 3.5% per annum and is repayable on 28 April 2018. The bond requires Thera to publish the Social Impact Report referred to earlier.

In addition, in December 2015, Thera benefitted from a further £2m from an unsecured bond arranged by Triodos Bank. This bond pays 5.5% per annum and is repayable on 31 December 2020.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Both bonds are subject to performance covenants in line with our bank financing facilities and we have reported on these later in this report.

We continue to be immensely grateful to all those organisations and individuals who have supported Thera by investing in these bonds and for those individuals and organisations who helped in bringing them to fruition.

In particular, we are grateful to Rathbone (Unit Trust Management), Rathbone Greenbank, Big Society Capital, Golden Bottle Trust and Monday Charitable Trust. We'd also like to thank Investing for Good, Triodos Bank UK, Linklaters, Barclays and BNY Mellon for their invaluable continued support.

Funds raised from the three year bond have been used predominantly to provide additional support and services to individuals with a learning disability. Details of the use of these funds are outlined in our Social Impact Report. We also understand that there was some trade in the listed bond investments during the year on a willing buyer/willing seller basis.

Cheyne's Social Impact Property Fund has continued to provide substantial opportunity for Forward Housing to make property available to individuals supported by other Thera companies with a

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

consequent impact on turnover and trading surplus. The effects of this agreement can clearly be seen in increased Group turnover.

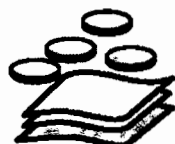


money

Reserves

The trading results for 2016-17 had a positive impact on the Group's reserves. Net assets at 31 March 2017 were £9.1m (31 March 2016: £6.4m re-stated).

At the year end, net current assets were £3.6m (31 March 2016: £3.1m re-stated) reflecting the positive trading performance during the year. This includes £0.3m of current liabilities on The Camden Society's balance sheet (31 March 2015: £0.4m).



cash

Cash and Working Capital

Cash generated from the Group's operating activities was £513k – a pleasing reversal compared to the previous year. Sales of investment properties generated a further £515k. The purchase of fixed assets and investments consumed £651k and repayment of mortgage funding and loan interest led to an overall decrease in cash over the year of £0.9m.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

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

In the light of Thera's ongoing development and increased need for working capital, trustees have proposed no change to this policy.



Thera Uses its Money Well

Reserves Policy

Thera's Reserves Policy was reviewed in March 2016. The policy currently aims for the organisation to achieve balance sheet reserves of £13.9m by March 2021. This includes an increase in both property-related assets and net current assets. During the year, in the light of continuing risk and uncertainty in the sector, trustees determined specifically to increase reserves of cash on an ongoing basis.

The reserves 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;

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

- ✓ 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, or who wish to join the Group, should this be necessary.



finance

Financial Covenants

Thera has an obligation to perform positively against two key financial covenants and the following table demonstrates that in the year to 31 March 2017 we achieved this. Further details can be found on our website.

		Target	Performance
Net Asset Cover		130%	265%
Interest Cover		250%	471%



investment

Social Investment Policy

Thera Trust's Social Investment 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;

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2017

- ✓ 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 once again made two social investment grants to The Quality Company and Dosh, recognising their activities are specifically to advance Thera's charitable objectives.



pension

Pensions Liability

After the year end, Thera Trust was notified that the assessment of the debt on withdrawal liability in relation to the Social Housing Pension Scheme had increased as a result of a reduction in the bond yields used by the Pension Trustees to assess Scheme deficit. A Scheme valuation was undertaken at end September 2017 and Thera Trust's trustees expect to increase deficit contributions in future. Thera Trust's trustees have decided not to pursue other options to reduce these liabilities, expecting instead that future increases in bond yields and increased deficit contributions will mitigate them.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017



directors

Thera's Directors (Trustees)

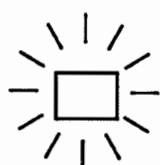
Members of the board of directors, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are shown in the company information at the start of this report and accounts.

Thera Group is run by a team of executive trustees, each equally responsible for the overall strategic performance of the organisation and one of whom has a learning disability. This structure enables the director with a learning disability properly to say that they are at the top of the organisation and accountable directly to company members and beneficiaries. They are treated equally to colleague executive directors in terms of status and pay and have an equal status around the board table as an executive without their voice being filtered and the equal team structures means that the leadership of the organisation is not represented by a single figurehead. There is no clearer demonstration of Thera's vision and its commitment to it both internally and externally and this structure and role gives a voice for, and confidence/ambition to, other paid/unpaid directors with a learning disability across the Group and more widely. The status of the director with a learning disability in this structure provides leadership example, confidence and ambition for other directors with a learning disability across the Group and more widely and also provides a clear focus for the cohesion of Thera's culture.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

In addition, but less importantly, we recognise that the equal team has now effectively become an integral part of Thera's brand.



new

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. In 2016-2017, we've been delighted to welcome 25 voluntary non-executive directors, who broaden and increase the wide range of skills on our company boards.

The Chairmen from Thera's companies continued to meet every six months to share news and ideas about good governance, Board development and organisational strategy. This forum has proved invaluable for developing the maturity and communications of an increasingly complex group.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017



Thera makes sure that it has Good Directors

*Recruitment, Induction and Training of Trustees and Directors
Nominations Committee*

The Nominations Committee consists of three non-executive and two executive trustees. Its primary role is to manage and monitor the appointment of directors (both executive and non-executive) across the Group.

New directors and 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.

Directors and trustees follow a formal induction process to ensure they know the organisation and its aims, and are aware of their responsibilities. All trustees are subject to references and standard DBS checks.

The Articles of Association of Thera Trust 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

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

directors must each include at least one person with a learning disability.

No new trustees were recruited to Thera Trust's Board in 2016-17. However, following the year end, we welcomed Jon Wilson to the board as a non-executive trustee, and we are welcoming Jill Parker in the New Year.

The Board continues to refresh its contingent and long term succession plans, in particular for the Group Executive team. Chairmen and Boards of subsidiary companies are encouraged to ensure that succession plans are in place for their board and senior management teams also.



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

pay

Remuneration and Pensions Committee

The Committee consists of three non-executive directors, who independently determine the remuneration of executive directors of the organisation, and of its subsidiary companies. In its remuneration policy, the Committee takes account of good practice guidelines in

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

setting executive pay, including the principles set out in the NCVO's April 2014 report on Charity Senior Executive Pay.

The Committee's approach recognises Thera's unique approach to leadership, and the equal executive team structure working at the top of the Group in line with Thera's Vision. In setting the remuneration of the Group's executive team, the Committee takes account of the breadth of its leadership roles, their professional and functional responsibilities and their shared responsibility for the overall strategic leadership of the organisation. These are considered against relevant and appropriate market data of group structures of comparable size and complexity, and the requirements of the organisation's strategic plan. The Committee has agreed a detailed methodology for setting pay rates and makes its decisions in the context of Thera's decisions on the pay of its entire workforce.

Nevertheless, in the current climate, the Committee determined that, for a tenth year, there has been no increase in basic pay rates for Thera Trust's directors; the detail of salaries is disclosed in Note 7 to the accounts.

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.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Further information on pension schemes across the Group can be found in notes 1(t) and 23 to the accounts.



check

Voluntary Directors Check Thera's Money

Audit Committee and Auditors

Thera Trust's Audit Committee has met four times during the year. The Committee has recommended the appointment of Sayer Vincent as the Group's auditors for the 2016-17 accounts.

RSM 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. Both Aspire Living and The Camden Society each also draw on a variety of people to help with their local fund-raising activities.

During the year, Thera as a whole received over £0.7m (2015-16 £0.7m) in grants, donations and gifts-in-kind which is targeted both at specific projects and in general support of our charitable objectives.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2017

We have not yet recruited a new Head of Fundraising and Communications, pending completion of a new fund-raising strategy during 2017-18. As part of the strategy, we will have regard to the Code of Fund-Raising Practice and new data protection regulations.

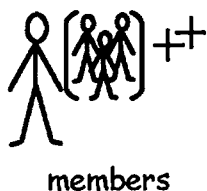


talk

Voluntary Directors Talk with Thera's Staff

Thera has an established Employee Consultative Council structure in most companies across the Group. Employee Consultative Councils in those Thera companies 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.

The Employee Consultative Councils are the main 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.



members

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 TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

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 either saw an increasing number of company members or an implementation plan to extend membership more widely to people with a learning disability, families/carers and to members of staff.

At 31 March 2017, there were 116 company members of various companies across the Group.



business

Related Party Transactions

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 10 to the accounts.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2017



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 which are inherent in the nature of Thera's work include the abuse or neglect of vulnerable people, a failure by one of our companies to comply with CQC fundamental standards or other regulatory requirements or a failure to realise Thera's Vision.

The trustees have also identified inherent risks arising from:

- ✓ the addition of smaller companies to the Group and continued integration risk;
- ✓ continued challenges in public sector funding alongside labour market cost inflation;
- ✓ damage to relationships with key customers;
- ✓ loss of key leadership and management;
- ✓ personnel risk and regulatory intervention either by CQC/CI or the Charity Commission;
- ✓ increasing litigation risk including in relation to recent developments in employment law such as the National Living Wage and related regulations;
- ✓ changes in legislation and investment performance related to pensions.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

The social care market in which Thera operates continues to experience significant funding challenges as commissioners attempt to reconcile increasing demand within a tighter funding environment. Although limitations are expected to continue, this has so far had limited impact on Thera's activities. Thera supports people with a learning disability in the main who have a substantial and critical assessed need. Accordingly, these individuals are at a much lower risk of having their support reduced because of funding challenges, with local authorities and commissioners prioritising this area of spending to date. Like all care and support service providers, Thera is exposed to a range of external factors that may put pressure on continuing the provision of care and support to a person with a learning disability. However, the specialist area of the market in which Thera works benefits from much lower levels of this pressure, as it is in both the commissioning body and the individual's long term interests to maintain continuity of support, particularly of the high quality that Thera provides.

However, towards the end of the year, The Camden Society reported that it is facing a major review of certain contracts in London and Oxfordshire, which may have a material impact on its revenue from 2018-19. Their trustees have embarked on a range of cost saving measures and will consider the need for further re-structuring during 2017-18.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

The sector also faces challenges and risks in relation to employment law. The National Living Wage (NLW) was introduced on 1 April 2016 and this increased further from 1 April 2017 and will do so again from April 2018. A range of regulatory and employment law matters relating to the introduction of the NLW continue to present liability and employment risks to the sector and to individual organisations within it (Note 29). As this is such an uncertain area at present, some companies in the Group may be required to change their current arrangements at additional cost in the future.

Trustees are satisfied that our companies have processes and systems in place to mitigate or minimise the incidence and impact of these risks, acknowledging however that some remain outside the organisation's control. In particular, each company takes a proactive approach to risk management and trustees/directors review current and significant risks at each of their meetings.

Thera Trust's 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.

Karen Boyce-Dawson, Director of Operations, is the Lead Director for Health and Safety within the Group and is currently the nominated individual under CQC Regulations. Thera is in the process of

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

registering the care and support companies which will make Managing Directors nominated individuals, in liaison with CQC.

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.

Key risks which are inherent in the nature of our work include the abuse or neglect of vulnerable people, a failure to comply with CQC Essential Standards or other regulatory requirements or a failure to realise Thera's Vision.

The social care market in which the group operates continues to experience significant funding challenges as commissioners attempt to reconcile increasing demand within a tighter funding environment. Although limitations are expected to continue, this has so far had limited impact on the group's activities. the group supports people with a learning disability in the main who have a substantial and critical assessed need. Accordingly, these individuals are at a much lower risk of having their support reduced because of funding challenges, with local authorities and commissioners prioritising this area of spending to date.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

Like all care and support service providers, the group is exposed to a range of external factors that may put pressure on continuing the provision of care and support to a person with a learning disability. However, the specialist area of the market in which the group works benefits from much lower levels of this pressure, as it is in both the commissioning body and the individual's long term interests to maintain continuity of support, particularly of the high quality that the group provides.

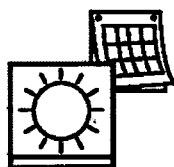
The sector also faces challenges and risks in relation to employment law. The National Living Wage (NLW) was introduced on 1st April 2016 and this increased further from 1st April, 2017. A range of regulatory and employment law matters relating to the introduction of the NLW continue to present liability and employment risks to the sector and to individual organisations within it (Note 30). As this is such an uncertain area at present, the group may be required to change its current arrangements at additional cost in the future.

In addition the group may face risk from damage to key relationships with local authorities, the loss of key leadership and management or risk from litigation, financial or pension matters

The directors have assessed and monitored the major risks to which the group may be exposed through a risk management strategy. Other than those sector risks outlined above, there have been no

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

material strategic changes within the organisation that are perceived to expose the organisation to additional material risk. The Board continues to monitor the external regulatory, funding and employment law environment closely. Directors are satisfied that systems are in place to minimise the incidence and impact of risks to the extent to which these are in the control of the group.



date

What's happened since March 2017

Since the end of the financial year, and further to the report last year, Forward Housing has sold a further property in Devon for the net sum of £372k and at the time of writing a further property in Devon is pending sale in the sum of £540k.

In addition, Aspire has disposed of a property in Hereford for the sum of £284k.

At short notice, Thera (Scotland) has been asked to start supporting 5 people living in Midlothian in a residential care home. A project team is being established to ensure that the 5 people are offered the opportunity of a tenancy in the future.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

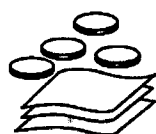
Thera South West has been asked to support 21 more people in Wiltshire, again at short notice. This will increase the company's turnover by £1.5m in a full year.



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 coming years will continue to see us focus first and foremost on them, in line with our updated strategic direction.



money

Thera's Money

Thera's on-going operations and future growth are expected to see a gradual increase in turnover and reserves in 2017-18 and future years in line with the Reserves Policy.

We expect to repay investors in our first bond issue by 28 April, 2018 either from cash balances or re-financing.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017



money

Financing

We intend to offer to retail investors, in January 2018, the opportunity to support Thera with investment in a third charity bond.

We are also delighted that Cheyne Capital has agreed a second tranche of £10m funding for the purchase and adaptation of property for Forward Housing.



house

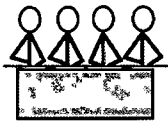
Supporting More People to Find a House

There will be substantial focus in 2017-18 on helping more people to find somewhere to live. This will draw both on the further tranche of funding from Cheyne's property fund, as well as the funds raised by Thera itself.

More specifically, several companies will focus on re-providing existing residential care services or otherwise appropriate accommodation to enable individuals to take up a tenancy, some for the first time, and to live in property more suited to their needs and aspirations.

THERA TRUST

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2017



directors

More Trustees with a Learning Disability

Both Aspire and The Camden Society will now seek approval for changes to their articles of association to enable them to appoint paid directors to their boards as charity trustees.



impact

Increasing Our Charitable Impact

Following publication of our second Social Impact Report, we look forward to a further growth in the impact of our activities and reporting on these in our third impact report in 2018.

- ✓ Continue to develop our leadership by people with a learning disability including the development of external networks, mentoring and coaching opportunities for our paid leaders with a learning disability;
- ✓ Offer more opportunities to potential leaders with a learning disability by recruiting more non-executive (voluntary) directors;
- ✓ Continue to grow our company membership and further develop the active inclusion of those members with a learning disability;
- ✓ Continue to support people with a learning disability in their day to day lives to see a sustained and continues improvement in people's opportunities for greater health and well-being, housing and social inclusion.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

<p style="text-align: center;">This section explains that the directors have told the Auditor everything they should and that they have worked within the law.</p>

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved under Section 418 of the Companies Act 2006 has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- that director has taken all steps that ought to have taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2017

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

APPOINTMENT AND RE-APPOINTMENT OF AUDITOR

During the year, Sayer Vincent LLP was appointed as auditor of the company. In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Sayer Vincent LLP as auditor of the Company.

The report of the directors and trustees, which includes the strategic report, has been approved by the trustees on 20 December 2017 and signed on their behalf by



Simon Conway
Trustee / Secretary



Jennifer Garrigan
Trustee

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

This page explains that the Auditor is reporting that the accounts give a true and fair view of the company and that they are put together as the law says they should be put together.

OPINION

We have audited the financial statements of Thera Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2017 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

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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

- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the report of the directors and trustees, including the strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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

**The Audit report says that there is nothing bad the Auditor wishes to
report to Company Members.**

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the report of the directors and trustees, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The report of the directors and trustees, including the strategic report, has been prepared in accordance with applicable legal requirements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the directors and trustees, including the strategic report.

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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

- Adequate accounting records have not been kept by the parent charitable company, 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.

RESPONSIBILITIES OF TRUSTEE DIRECTORS

As explained more fully in the statement of responsibilities of trustee directors set out in the report of the directors and trustees, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

**Trustee Directors' responsibilities are explained on page 84.
This page explains that it is the Auditor's responsibility to audit (check)
the accounts as the law says they should.**

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 auditor's 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 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 AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

This page explains how the Auditor checks the accounts.

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

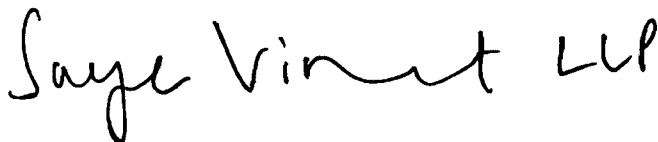
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

A handwritten signature in black ink that reads "Sayer Vincent LLP". The signature is written in a cursive, flowing style.

Jonathan Orchard (Senior statutory auditor)

21 December 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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 Auditor.

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

THERA TRUST

SUMMARY OF MONEY

For the year ended 31 March 2017

What we have earned and what we have spent: **£**

Money in	64,591,798
What we spent on staff	(50,749,555)
Other money spent	<u>(10,834,649)</u>
What is left over from the year	3,007,594
Revaluation of houses	<u>(389,364)</u>
	<u><u>2,618,230</u></u>

What Thera Trust has at 31 March 2017: **£**

Value of business bought	531,843
Land, houses and buildings	1,633,255
Equipment	708,398
Investment properties	7,544,379
Property we plan to sell	279,300
How much cash we have in the bank	1,269,349
What we are owed by others	9,628,069
What we owe to others	<u>(12,533,635)</u>
Net amount Thera Trust has at 31 March 2017	<u><u>9,060,958</u></u>

THERA TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

for the year ended 31 March 2017

				2017	Restated	Restated	Restated
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total 2016 £
Income from:							
Donations and grants	3	2,631,370	254,379	2,885,749	2,207,979	291,540	2,499,519
Charitable activities							
Supporting people with a learning disability	4	61,243,020	-	61,243,020	53,477,549	-	53,477,549
Rental income	4	449,606	-	449,606	141,905	-	141,905
Investments		3,587	-	3,587	1,384	-	1,384
Other		2,244	7,592	9,836	115,587	-	115,587
Total income		64,329,827	261,971	64,591,798	55,944,404	291,540	56,235,944
Expenditure on:							
Charitable activities							
Supporting people with a learning	6	61,213,566	297,251	61,510,817	53,362,237	280,437	53,642,674
Exceptional costs	6	51,387	-	51,387	48,000	-	48,000
Sub total of expenditure		61,264,953	297,251	61,562,204	53,410,237	280,437	53,690,674
Remeasurement (losses) on defined benefit pension schemes	24	22,000	-	22,000	242,000	-	242,000
Total expenditure		61,286,953	297,251	61,584,204	53,652,237	280,437	53,932,674
Net income / (expenditure) before net gains / (losses) on investments		3,042,874	(35,280)	3,007,594	2,292,167	11,103	2,303,270
Net (losses)/gains on investment properties	14	(389,364)	-	(389,364)	137,250	-	137,250
Net income / (expenditure) for the year	5	2,653,510	(35,280)	2,618,230	2,429,417	11,103	2,440,520
Transfers between funds	26	(1,693)	1,693	-	3,424,544	(3,424,544)	-
Net income / (expenditure) before other recognised gains and losses		2,651,817	(33,587)	2,618,230	5,853,961	(3,413,441)	2,440,520
Net movement in funds		2,651,817	(33,587)	2,618,230	5,853,961	(3,413,441)	2,440,520
Reconciliation of funds:							
Total funds brought forward	26	6,252,965	189,763	6,442,728	965,897	3,603,204	4,569,101
Prior period adjustment	32	-	-	-	(566,893)	-	(566,893)
Total funds brought forward (as restated)		6,252,965	189,763	6,442,728	399,004	3,603,204	4,002,208
Total funds carried forward		8,904,782	156,176	9,060,958	6,252,965	189,763	6,442,728

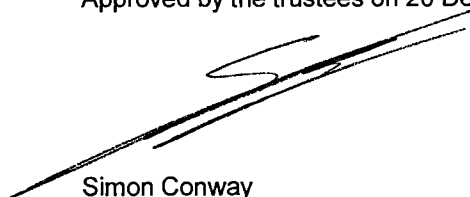
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 26 to the financial statements

THERA TRUST
BALANCE SHEETS
as at 31 March 2017

COMPANY REGISTRATION NUMBER 03593418

		Group		Charity	
		2017	Restated 2016	2017	2016
	Note	£	£	£	£
Fixed assets:					
Intangible fixed assets	12	531,843	333,460	531,843	326,793
Tangible assets	13	2,341,653	2,850,931	1,126,994	1,108,073
Investment properties	14	7,544,379	5,730,196	-	-
Investments	15	-	-	303,942	303,942
		<u>10,417,875</u>	<u>8,914,587</u>	<u>1,962,779</u>	<u>1,738,808</u>
Current assets:					
Property held for sale	17	279,300	-	-	-
Debtors	18	9,628,069	8,152,064	10,669,231	9,406,631
Cash at bank and in hand		1,269,349	2,502,555	548,087	1,582,873
		<u>11,176,718</u>	<u>10,654,619</u>	<u>11,217,318</u>	<u>10,989,504</u>
Current liabilities:					
Creditors falling due within one year	20	(7,541,132)	(7,583,009)	(2,866,661)	(3,029,405)
		<u>3,635,586</u>	<u>3,071,610</u>	<u>8,350,657</u>	<u>7,960,099</u>
Net current assets					
		<u>14,053,461</u>	<u>11,986,197</u>	<u>10,313,436</u>	<u>9,698,907</u>
Total assets less current liabilities					
Long term liabilities:					
Creditors falling due after one year	23	(4,992,503)	(5,543,469)	(5,084,867)	(5,278,785)
		<u>9,060,958</u>	<u>6,442,728</u>	<u>5,228,569</u>	<u>4,420,122</u>
Total net assets					
Funds:					
Restricted income funds	26	156,176	189,763	48,575	145,525
Unrestricted income funds:					
Designated funds		9,967	7,288	9,667	2,368
Revaluation reserve		667,015	667,015	-	-
General funds		8,227,800	5,578,662	5,170,327	4,272,229
		<u>8,904,782</u>	<u>6,252,965</u>	<u>5,179,994</u>	<u>4,274,597</u>
Total unrestricted funds					
		<u>9,060,958</u>	<u>6,442,728</u>	<u>5,228,569</u>	<u>4,420,122</u>
Total funds					

Approved by the trustees on 20 December 2017 and signed on their behalf by



Simon Conway
Trustee



Jennifer Garrigan
Trustee

THERA TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

	Note	2017	2016
		£	£
Net cash provided by / (used in) operating activities	27	512,748	(1,390,874)
Cash flows from investing activities:			
Proceeds from the sale of fixed assets		-	348,349
Proceeds from sale of investment properties	515,035	-	-
Purchase of fixed assets	(364,145)	(368,365)	-
Cash acquired with charitable company	-	608,280	-
Cash acquired with limited company	-	209,513	-
Interest received	3,587	1,384	-
Purchase of investments	(287,075)	-	-
Payments to acquire investment properties	(514,915)	630,735	-
		(647,513)	168,426
Cash flows from financing activities:			
Repayments of borrowing	(531,648)	(280,508)	-
Receipts from issue of new bonds	-	2,999,800	-
Receipts from issue of new loans	-	243,167	-
Receipts from new finance lease contracts	48,499	58,547	-
Repayments of obligations under a finance lease	(23,887)	(32,956)	-
Interest paid	(235,048)	(173,907)	-
Net cash provided by / (used in) financing activities		(742,084)	2,814,143
Change in cash and cash equivalents in the year		(876,849)	1,591,695
Cash and cash equivalents at the beginning of the year		1,174,573	(417,122)
Cash and cash equivalents at the end of the year	28	297,724	1,174,573

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

1 Accounting policies

a) Statutory information

Thera Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 134 Edmund Street, Birmingham, B3 2ES. The operating address is The West House, Alpha Court, Swingbridge Road, Grantham, NG31 7XT. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-controlled subsidiaries on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in Sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period

e) Income

All income is included in the consolidated statement of financial activities (SoFA) when the group is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income represents contracts with Local Authorities, NHS and other organisations, individuals to provide support to people with a learning disability, along with donations, recharges and rental income.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

1 Accounting policies (continued)

e) Income (continued)

Donations

For donations to be recognised the group will have been notified of the amounts and the settlement date in writing unless otherwise stated in the relevant accounting policy or note. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the group and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the group has control over the item. Fair value is determined on the basis of the value of the gift to the group. For example the amount the group would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the trustees' annual report.

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 and support services, fees receivable from individuals for domiciliary and residential care and other services to people with a learning disability.

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 is earned through holding assets for investment purposes such as property. It may include dividends, interest or rent. It is included when the amount can be measured reliably. Interest income is recognised using the effective method and rent income is recognised as the group's right to receive payment is established.

Grants

Grants receivable are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Other income

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

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 group, are recognised when it becomes unconditionally entitled to the grant.
- Income from contracts and grants, where related to performance and specific deliverables, are accounted for as the 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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

1 Accounting policies (continued)

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.

g) 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 group. 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.

h) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds
- Expenditure on charitable activities
- Other expenditure represents those items not falling into the categories above

Charitable expenditure comprises those costs incurred by the 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 the group and include audit fees.

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.

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.

i) Taxation

Thera Trust, Forward Housing SW, The Camden Society, Equal Futures and Aspire Living are exempt from income tax and capital gains tax under Section 505 ICTA1988.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

1 Accounting policies (continued)

j) Operating leases

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

k) Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the income and expenditure account over its estimated economic life of ten years.

l) 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

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

o) Leasing and hire purchase commitments

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

q) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

1 Accounting policies (continued)

s) Financial instruments

The charitable company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans from related parties. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

t) Pensions

Some of Thera's group companies (Thera Trust, Thera North, Thera East, Thera East Anglia and Thera East Midlands, Thera (Scotland), Thera South Midlands, Thera West, Thera South West, The Quality Company, Forward Housing 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.

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 participates in The Pensions Trust Social Housing Pension Scheme and Thera Trust, Thera East, Thera East Anglia, Thera East Midlands, Thera North, Thera South Midlands, 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.

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.

The Camden Society participates in the Pensions Trust Flexible Retirement plan. The plan is a defined contribution scheme and the pension charge represents the amount payable by the company to the fund in respect of the period.

In 2010 Forward Living, a company limited by guarantee which has since been struck off the register of companies, 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.

Equal Futures and Aspire Living Limited participate in the government's NEST pension scheme and Aspire Living Limited in a pension scheme operated by Clerical Medical. Both schemes are defined contribution schemes.

u) Parent charity and financial support

An Intra-Group Agreement exists between Thera Trust and fourteen of its subsidiaries. This Intra-Group Agreement incorporates a Funding Agreement which allows Thera Group companies to benefit from the movement of funds around the Group. Each subsidiary, other than The Camden Society, Equal Futures and Ansar Projects Limited, has acceded to this Intra-Group Agreement with Board approval. In addition to this, Thera Trust and its subsidiaries have all individually agreed not to demand the repayment of any inter-company borrowings within twelve months of the date on which the balance sheet is signed. Any amounts due to or from Group companies that have been shown as due within one year relate purely to balances arising from operational activities. A market rate interest has been charged on balances between group companies.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

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

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have delegated authority to management to make the following judgements:

Group financial support

The board of Thera Trust has provided assurance to the directors of all the subsidiaries within the Thera Group that have acceded to the Intra-Group Agreement, as referred to above, that adequate financing is in place to meet the group's financing needs. This has enabled the directors to confirm that management can prepare the accounts on a going concern basis.

Leases

The company determines whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheets.

Investment properties

Investment properties owned by Forward Housing SW or Aspire Living Limited are valued on the net present value of lease income unless the property is vacant, in which case it is valued at open market value with vacant possession. Investment properties leased by Forward Housing SW are valued on the net present value of future cashflows.

Impairment of other assets

The company reviews the carrying value of all other assets for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the asset.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

3 Income from donations and grants

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Donations	2,882	37,274	40,156	99,642
Donations received	2,210,010	-	2,210,010	
Assets donated on acquisition of Aspire Living Limited	-	-	-	1,207,129
Properties donated to Aspire Living Limited	-	-	-	575,000
Grants:				
The Big Lottery Fund and the EU social fund	-	21,325	21,325	-
The Big Lottery Fund	-	-	-	18,641
Leicester County Council	-	222	222	18,618
The Heritage Lottery Fund	-	-	-	34,600
Social Enterprise Investment Fund	-	-	-	30,000
Scottish Government	-	22,000	22,000	22,200
Scottish Government	-	122,415	122,415	65,000
Robertson Trust	-	-	-	13,700
Capability Scotland	-	-	-	2,500
Other	418,478	51,144	469,622	412,489
	<u>2,631,370</u>	<u>254,379</u>	<u>2,885,749</u>	<u>2,499,519</u>

4 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 areas shown below. In addition, rental income includes aggregate rentals receivable in relation to operating leases totalling £449,606 (2016: £141,905)

	2017 Total £	2016 Total £
East Anglia	9,415,430	9,541,061
East	11,994,464	11,505,562
East Midlands	10,542,598	9,580,312
West	4,358,783	1,689,330
South Midlands	4,664,929	5,671,820
South West	5,411,539	5,446,592
North	4,408,360	2,718,165
Scotland	2,379,232	888,058
London	8,043,020	6,188,757
Other	24,663	247,892
Supporting people with a learning difficulty	<u>61,243,020</u>	<u>53,477,549</u>
Rental income	449,606	141,905
Income from charitable activities	<u>61,692,626</u>	<u>53,619,454</u>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2017 £	2016 £
Operating lease rentals:		
- motor vehicles	338,519	274,936
- land and buildings	305,769	305,310
External auditors remuneration (excluding vat).		
Current auditors:		
Audit	105,000	-
Other services	5,000	-
Former auditors:		
In respect of the prior year	126,258	52,280
Audit	-	65,104
Other services	7,650	250
Internal auditors remuneration (excluding vat)	3,570	25,628
Depreciation of owned assets	531,797	318,620
Amortisation of goodwill	88,692	8,000

6 Total expenditure

The group

	Unrestricted £	Designated £	Restricted £	2017 £	2016 £
Direct costs of supporting individuals					
Staff and agency costs	48,056,943	-	-	48,056,943	42,502,179
Property costs	1,517,214	-	-	1,517,214	465,495
Other direct costs	1,862,474	2,700	297,251	2,162,425	2,375,592
Support costs (below)	9,417,054	-	-	9,417,054	8,092,512
Governance costs (below)	357,181	-	-	357,181	206,896
	61,210,866	2,700	297,251	61,510,817	53,642,674

	Unrestricted £	Designated £	Restricted £	2017 £	2016 £
Support costs					
Staff and agency costs	3,933,011	-	-	3,933,011	3,705,238
Property costs	642,419	-	-	642,419	540,582
Depreciation, amortisation	622,364	-	-	622,364	333,214
Other support costs	4,219,260	-	-	4,219,260	3,513,487
	9,417,054	-	-	9,417,054	8,092,521

	Unrestricted £	Designated £	Restricted £	2017 £	2016 £
Governance					
Staff costs	17,823	-	-	17,823	17,344
Legal and professional	335,683	-	-	335,683	185,722
Other	3,675	-	-	3,675	3,830
	357,181	-	-	357,181	206,896

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

7 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:

	Total remuneration £	Expenses £	Pension £	2017 Total £	2016 Total £
Mrs K Boyce-Dawson	100,000	11,119	15,000	126,119	124,279
Mr S Conway	111,823	11,576	11,800	135,199	126,584
Ms J Garrigan	110,875	6,103	11,800	128,778	129,881
Mr M Smith	41,026	5,388	1,231	47,645	47,011
	363,724	34,186	39,831	437,741	427,755

Total remuneration includes salary and benefits in kind

Executive Directors are paid an equal level of salary, adjusted only for full time or part time hours, pensions and benefits in kind, such as lease cars. The change in costs between the two years is in the main due to changes to the taxable value of lease cars, increased expenses and required increases in employer pension contributions to the Social Housing Pension Scheme. The Executive directors are considered to be the key management personnel of the charity.

During the period retirement benefits were accruing to 4 (2016: 4) Directors in respect of a defined contribution scheme

During the period 7 Trustees (2016: 9) received reimbursed expenses relating to travel and accommodation amounting to £36,373 (2016: £29,235). These amounts include the above expenses shown as payable to the Executive Directors.

The highest paid director received remuneration of £111,823 (2016: £110,309) (salary and benefits in kind). The value of the employer's contributions paid to a multi-employer defined contribution pension scheme in respect of the highest paid director amounted to £11,800 (2016: £11,800).

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows.

	2017 £	2016 £
Salaries and wages	46,492,342	42,705,643
Social security costs	3,349,751	3,027,367
Employer's contribution to defined contribution pension schemes	507,915	559,157
Employer's contribution to defined benefit pension schemes	399,547	346,114
	<hr/>	<hr/>
Sub-total	50,749,555	46,638,281
Decrease in employer's pension deficit liability	(22,000)	242,000
	<hr/>	<hr/>
	50,727,555	46,396,281
	<hr/>	<hr/>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between

	2017 No.	2016 No
£60,000 - £69,999	9	7
£70,000 - £79,999	1	-
	<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.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £448,286 (2016: £446,040).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £36,373 (2016: £29,235) incurred by 7 (2016: 9) members relating to attendance at meetings of the trustees, at meetings of trustees or directors of subsidiary companies and in relation to other management activities.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 2919 (2016 2,733)

Staff are split across the activities of the charitable company as follows:

	2017 No.	2016 No
Direct and relief support work	2731	2539
Management and administration	188	194
	<u>2919</u>	<u>2733</u>

10 Related party transactions

As disclosed in note 15, Thera Trust is the parent charitable company of all of the named subsidiary entities within the group. The result for the year, assets and liabilities at the balance sheet date, and the registered office of these entities are all disclosed in full in that note.

Balances due to and from group undertakings are also disclosed in notes 18 and 23.

The company only subsidiaries, within their own financial statements, have taken the exemption permitted by section 33.1A of FRS 102 from disclosing transactions with other entities within the group on the grounds that Thera Trust controls 100% of the voting rights and consolidated accounts are prepared

As required by the SORP, Thera Trust, and its charitable subsidiaries, disclose in full transactions with other entities within the Thera Group. Due to the number of entities involved, transactions of a similar nature have been amalgamated within the table below.

The following transactions were charged / (credited) in the accounts of Thera Trust.

	2017 £	2016 £
Management charges from Thera Trust to subsidiary undertakings	4,860,440	4,448,222
Donations under gift aid from subsidiary undertakings to Thera Trust	2,060,236	1,723,289
Social investment grants from Thera Trust to Dosh and The Quality Company	<u>160,000</u>	<u>160,000</u>

Transactions with Directors

Michael Dearlove, a director of Thera East Anglia, was also Managing Director of EACS Limited. During the year to 31 March 2017, EACS Limited has provided IT hardware, management and support to the Thera Group. Amounts invoiced by EACS Limited to Thera during the year were £233,575 (2016: £247,356)

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 £18,719 (2016: £10,245).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiaries gift aid available profits to the parent charity and therefore have no charge to corporation tax.

12 Intangible fixed assets

The group

	Goodwill £	Total £
Cost		
At the start of the year	366,793	366,793
Additions in year (note 15)	287,075	287,075
	<hr/> 653,868	<hr/> 653,868
Amortisation		
At the start of the year	33,333	33,333
Charge for the year	88,692	88,692
	<hr/> 122,025	<hr/> 122,025
Net book value		
At the end of the year	<hr/> 531,843	<hr/> 531,843
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	<hr/> 333,460	<hr/> 333,460
	<hr/> <hr/>	<hr/> <hr/>

The charity

	Goodwill £	Total £
Cost		
At the start of the year	326,793	326,793
Additions in year (note 15)	287,075	287,075
	<hr/> 613,868	<hr/> 613,868
Amortisation		
At the start of the year	-	-
Charge for the year	82,025	82,025
	<hr/> 82,025	<hr/> 82,025
Net book value		
At the end of the year	<hr/> 531,843	<hr/> 531,843
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	<hr/> 326,793	<hr/> 326,793
	<hr/> <hr/>	<hr/> <hr/>

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

13 Tangible fixed assets

The group

	Leasehold property and improvements £	Freehold land and property £	Fixtures and fittings and equipment £	Total £
Cost or valuation				
At the start of the year	695,712	1,986,977	2,309,786	4,992,475
Additions in year	49,959	-	314,186	364,145
Impairment	-	(62,326)	-	(62,326)
Disposals in year	-	-	(38,494)	(38,494)
Transferred to property held for sale	-	(285,000)	-	(285,000)
At the end of the year	<u>745,671</u>	<u>1,639,651</u>	<u>2,585,478</u>	<u>4,970,800</u>
Depreciation				
At the start of the year	166,670	416,745	1,558,129	2,141,544
Charge for the year	96,725	77,627	357,445	531,797
Eliminated on disposal	-	-	(38,494)	(38,494)
Transferred to property held for sale	-	(5,700)	-	(5,700)
At the end of the year	<u>263,395</u>	<u>488,672</u>	<u>1,877,080</u>	<u>2,629,147</u>
Net book value				
At the end of the year	<u>482,276</u>	<u>1,150,979</u>	<u>708,398</u>	<u>2,341,653</u>
At the start of the year	<u>529,042</u>	<u>1,570,232</u>	<u>751,657</u>	<u>2,850,931</u>

The historic cost equivalent of land and buildings included at valuation are as follows:

	Leasehold property and improvements £	Freehold land and property £	Fixtures and fittings and equipment £	Total £
Cost	227,591	425,000	99,783	752,374
Accumulated depreciation	(46,526)	(158,500)	(59,871)	(264,897)
At the end of the year	<u>181,065</u>	<u>266,500</u>	<u>39,912</u>	<u>487,477</u>

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

13 Tangible fixed assets (continued)

The charity	Freehold land and property £	Fixtures and fittings and equipment £	Total £
Cost of valuation			
At the start of the year	1,064,651	1,811,360	2,876,011
Additions in year	-	271,528	271,528
At the end of the year	1,064,651	2,082,888	3,147,539
Depreciation			
At the start of the year	416,745	1,351,193	1,767,938
Charge for the year	37,887	214,720	252,607
At the end of the year	454,632	1,565,913	2,020,545
Net book value			
At the end of the year	610,019	516,975	1,126,994
At the start of the year	647,906	460,167	1,108,073

Included above is freehold land with a cost of £117,500 which is not depreciated.

14 Investment properties

	Owned £	Leased* £	Group 2017 £	2016 £	Charity 2017 £	2016 £
Fair value at the start of the year	5,730,196	-	5,730,196	5,295,793	-	-
Additions including donations	514,915	2,210,010	2,724,925	82,553	-	-
Disposals	(521,378)	-	(521,378)	-	-	-
Revaluation during the year	(389,364)	-	(389,364)	137,250	-	-
Reclassified from fixed assets	-	-	-	214,600	-	-
Fair value at the end of the year	5,334,369	2,210,010	7,544,379	5,730,196	-	-

Investment properties owned by Forward Housing SW were last valued on 31 January 2011 by Paul M Scammell (MRICS) of the District Valuer Service.

Following the removal of restrictive legal charges and title covenants on 11 of Forward Housing SW's properties, the trustees have obtained an interim valuation from Jones Laing LaSalle ("JLL") for the properties owned by Forward Housing SW. This valuation is based either upon vacant market possession where appropriate or upon current and future rental yields on properties where a lease is currently in place. The trustees are satisfied from the information provided by JLL that this is an appropriate basis for valuing the properties as at 31 March 2017 on an interim basis and that there has been no significant change in the underlying value except that the payment for the release of title covenants have been accounted for as a revaluation. The trustees will commission a full valuation during the year to March 2018.

All of the investment properties owned by Forward Housing SW are located within the United Kingdom. The majority of these properties are held for use in operating leases. Two properties were held for sale at the year end.

*see note 33

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

15 Investments

Controlled subsidiary undertakings

The parent charitable company controlled the following companies and charitable companies

Company	Country of registration or incorporation	
Tera East Anglia	England and Wales	Limited by guarantee
Tera East	England and Wales	Limited by guarantee
Tera East Midlands	England and Wales	Limited by guarantee
Tera North	England and Wales	Limited by guarantee
Tera West *	England and Wales	Limited by guarantee
Tera South Midlands	England and Wales	Limited by guarantee
Tera Limited *	England and Wales	Limited by guarantee
Tera (Scotland)	Scotland	Limited by guarantee
Tera 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
Equal Futures	Scotland	Limited by guarantee
Aspire Living Limited	England and Wales	Limited by guarantee
Ansar Projects Limited	England and Wales	Limited company
Tera East Anglia Trading Limited *	England and Wales	Limited by guarantee
Tera East Trading Limited *	England and Wales	Limited by guarantee
Tera East Midlands Trading Limited *	England and Wales	Limited by guarantee
Tera North Trading Limited *	England and Wales	Limited by guarantee
Tera South Midlands Trading Limited *	England and Wales	Limited by guarantee
Tera South West Trading Limited *	England and Wales	Limited by guarantee
Tera (Scotland) Trading Limited *	Scotland	Limited by guarantee
The Camden Society Trading Limited *	England and Wales	Limited by guarantee
Aspire Living Trading Limited *	England and Wales	Limited by guarantee
Ansar Projects Trading Limited *	England and Wales	Limited by guarantee

Entities above marked with an asterisk * were dormant and did not trade during the year.

The active subsidiaries are 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 2017

15 Investments (continued)

The aggregate amount of capital and reserves and the results of the subsidiary undertakings for the last relevant financial year were as set out below. Any group entity not shown in the tables had no income, expenditure, assets or liabilities to report

	Income £	Expenditure £	Gift Aid and other transfers £	(Deficit) / surplus for the year £
Tera East Anglia	9,430,743	(9,032,176)	(398,567)	-
Tera East	12,027,629	(11,108,521)	(919,108)	-
Tera East Midlands	10,557,189	(10,013,243)	(543,946)	-
Tera North	2,974,766	(2,873,633)	-	101,133
Tera South Midlands	2,366,909	(2,529,776)	-	(162,867)
Tera (Scotland)	2,303,946	(2,370,369)	-	(66,423)
Tera South West	5,416,712	(5,491,056)	-	(74,344)
Dosh Limited	380,706	(516,987)	-	(136,281)
The Quality Company Limited	287,240	(154,375)	(2,908)	129,957
Forward Housing SW	3,031,751	(796,619)	-	2,235,132
The Camden Society	10,341,040	(10,154,506)	-	186,534
Equal Futures	75,286	(79,913)	-	(4,627)
Aspire Living Limited	4,358,783	(4,326,484)	-	32,299
Ansar Projects Limited	1,433,594	(1,237,887)	(195,707)	-
	64,986,294	(60,685,545)	(2,060,236)	2,240,513

	Assets £	Liabilities £	Capitals and reserves £
Tera East Anglia	961,016	(961,016)	-
Tera East	1,890,089	(1,890,089)	-
Tera East Midlands	991,149	(991,149)	-
Tera North	412,652	(764,983)	(352,331)
Tera West	161,406	-	161,406
Tera South Midlands	260,855	(722,000)	(461,145)
Tera (Scotland)	546,468	(1,354,499)	(808,031)
Tera South West	1,331,579	(1,405,923)	(74,344)
Dosh Limited	169,386	(839,699)	(670,313)
The Quality Company Limited	3,738	(3,738)	-
Forward Housing SW	7,751,628	(3,286,936)	4,464,692
Uemploy Limited	-	(105,887)	(105,887)
The Camden Society	1,628,426	(1,411,343)	217,083
Equal Futures	52,057	(9,162)	42,895
Aspire Living Limited	1,927,815	(247,098)	1,680,717
Ansar Projects Limited	367,210	(325,619)	41,591
	18,455,474	(14,319,141)	4,136,333

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

15 Investments (continued)

Joint Venture

Tera 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 commissioning framework.

There is no cost of investment to Tera 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 2016.

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 Aspire Living Limited

	Book values £	Fair value adjustments £	Fair values £
Current assets	817,433	-	817,433
Current liabilities	(259,950)	-	(259,950)
Net current assets	557,483	-	557,483
Fixed assets	1,224,646	-	1,224,646
Costs of acquisition	-	-	-
Net assets acquired	1,782,129	-	1,782,129

On 25 November 2015, Aspire Living Limited joined the Tera Group. No consideration was paid in respect of the acquisition.

Acquisition of Ansar Projects Limited

	Book values £	Fair value adjustments £	Fair values at 31st March 2016 £	Additional deferred consideration £	Fair values at 31st March 2017 £
Current assets	210,573	-	210,573	-	210,573
Current liabilities	(317,721)	-	(317,721)	-	(317,721)
Net current assets	(107,148)	-	(107,148)	-	(107,148)
Fixed assets	411,090	-	411,090	-	411,090
Net assets acquired	303,942	-	303,942	-	303,942
Consideration	583,000	-	583,000	235,223	818,223
Cost of acquisition	47,735	-	47,735	51,852	99,587
Total consideration	630,735	-	630,735	287,075	917,810
Goodwill	326,793	-	326,793	287,075	613,868

On 21 March 2016, Ansar Projects Limited joined the Tera Group. Subsequent to the purchase of the entire share capital of the company, three properties owned by Ansar Projects Ltd were sold and leased back to Forward Housing.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows.

	2017 £	2016 £
Gross income	7,423,944	6,523,413
Total expenditure on charitable activities	(5,985,866)	(5,772,983)
Costs of generating funds	(294,450)	(158,606)
Governance costs	(357,181)	(234,356)
Remeasurement loss on define benefit pension scheme	22,000	(242,000)
Net income	808,447	115,468
Total funds brought forward	4,420,122	4,304,654
Total funds	5,228,569	4,420,122

Gross incoming resources are inclusive of donations made under gift aid of £2,060,236 (2016: £1,723,289) from its subsidiaries, as detailed in note 15

17 Property held for sale

	Property held for sale £	Total £
Cost		
Transferred from fixed assets	285,000	285,000
At the end of the year	285,000	285,000
Depreciation		
Transferred from fixed assets	5,700	5,700
At the end of the year	5,700	5,700
Net book value		
At the end of the year	279,300	279,300
At the start of the year	-	-

All of the above assets were used for charitable purposes.

18 Debtors

	Group 2017 £	2016 £	Charity 2017 £	2016 £
Due after more than one year				
Amounts owed from group undertakings	-	-	9,530,048	8,639,645
Due within one year				
Operational debtors	4,756,943	4,121,926	9,618	28,510
Other debtors	594,002	586,191	57,672	4,106
Prepayments and accrued income	4,277,124	3,443,947	1,071,893	734,370
	9,628,069	8,152,064	10,669,231	9,406,631

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in notes 19 and 22 below

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

19 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 £25,263 (2016 : £20,316) and in individual client accounts amounting to £6,677,141 (2016: £4,718,101). These funds have not been included as assets or liabilities of the group.

20 Creditors: amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Overdraft and bank loans	1,253,865	1,648,496	1,093,648	1,462,618
Amounts due under finance leases	23,942	13,337	23,942	13,337
Operational creditors	1,332,941	1,317,446	883,700	706,715
Taxation and social security	993,695	875,946	95,173	96,071
Other creditors	1,888,191	1,597,720	335,906	400,307
Pension liability	110,825	107,000	110,825	107,000
Accruals and deferred income	1,937,673	2,023,064	323,467	243,357
	7,541,132	7,583,009	2,866,661	3,029,405

21 Deferred income

Deferred income comprises payments in advance of services.

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Balance at the beginning of the year	491,614	1,113,879	855	-
Amount released to income in the year	(491,614)	(1,113,879)	(855)	-
Amount deferred in the year	204,087	491,614	31,671	855
Balance at the end of the year	204,087	491,614	31,671	855

22 Net current assets

	The Camden Society	Other	Group
	£	£	£
Debtors	929,007	8,699,062	9,628,069
Cash at bank and in hand	108,592	1,160,757	1,269,349
Creditors: amounts falling due within one year	(1,334,315)	(6,206,817)	(7,541,132)
Net assets at 31 March 2017	(296,716)	3,653,002	3,356,286

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 2017

23 Creditors: amounts falling due after one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	4,255,083	4,748,457	4,147,941	4,483,654
Amounts due under finance leases	54,019	40,012	54,019	40,012
Pension liability	683,401	755,000	683,401	755,000
Amounts due to group undertakings	-	-	199,506	119
	4,992,503	5,543,469	5,084,867	5,278,785

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Analysis of loans				
Loans repayable	4,537,323	5,068,972	4,269,963	4,652,448
Included in current liabilities	(282,240)	(320,515)	(122,023)	(168,794)
	4,255,083	4,748,457	4,147,940	4,483,654

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Loan maturity analysis				
One - two years	2,292,659	1,076,017	2,072,489	927,816
Two - five years	2,147,412	3,527,755	2,100,222	3,423,183
In more than five years	97,251	144,685	97,252	126,249
	4,537,322	4,748,457	4,269,963	4,477,248

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 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.

Thera Trust issued a £1,000,000 three year unsecured bond on 28 April 2015. Interest is payable semi-annually on 28 April and 28 October each year at a fixed rate of 3.5% per annum. The bond is listed on the Luxembourg Stock Exchange and is repayable on 28 April 2018.

Thera Trust issued a £2,000,000 five year bond on 31 December 2015. Interest is payable annually on 31 December each year in arrears at a fixed rate of 5% per annum. The bond is repayable on 31 December 2020.

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

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

24 Pension schemes

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 £239,560 (2016: £216,184). The amount outstanding in respect of the Plan at the year end was £89,310 (2016: £45,505).

Local Government Pension Scheme - Nottinghamshire

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 £19,762 (2016: £16,960). The amount outstanding in respect of employer and employee contributions for this Scheme at the year end was £Nil (2016: £Nil).

As at the balance sheet date there were 9 (2016: 10) 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 FRS 102 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 during 2018.

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.

Local Government Pension Scheme - Oxfordshire

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. Contributions payable during the year amounted to £110,876 (2016: £129,495). As at the balance sheet date there were 27 (2016: 31) 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 FRS102 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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

Local Government Pension Scheme - Worcestershire

Aspire Living Limited participates in the Worcestershire County Council's Local Government Pension Scheme (as this scheme also includes employees of Herefordshire County Council)

Contributions payable during the period amount to £16,121 (2016: £nil). The amount outstanding in respect of employer and employee contributions for this Scheme at the year-end was £16,121 (2016: £nil)

As at the balance sheet date there were 10 (2016: 0) active members of the Scheme employed by Aspire Living Limited

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 FRS102 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 2016 by a professionally qualified Actuary. The market value of the Scheme's assets at the valuation date was £1,952 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £654 million, equivalent to a past service funding level of 75%. This is an increase on the 69% funded position as a result of the 2013 valuation

A common rate of contribution of 15.3% of pensionable pay per annum is required from employers. The common rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date. The deficit of £654 million would be eliminated by a contribution addition of £34 million per annum increasing at 3.7% per annum for 18 years

The next triennial formal valuation of the Scheme is due as at 31 March 2019.

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. Contributions payable during the year amounted to £25,140 (2016: £35,529). As at the balance sheet date there were 8 (2016:10) 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 FRS102 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.

NEST pension scheme

Equal Futures and Aspire Living Limited participate in the government's NEST pension scheme which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £24,485 (2016: £14,578). The amount outstanding in respect of this Scheme at the year-end was £2,408 (2016: £2,139).

Clerical Medical pension scheme

Aspire Living Limited participates in the Clerical Medical pension scheme which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £12,194 (2016: £11,438). The amount outstanding in respect of this Scheme at the year-end was £nil (2016: £nil).

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

Social Housing Pension Scheme

Aspire Living Limited participates in The Pension's Trust Social Housing Pension Scheme which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £8,750 (2016 £nil). The amount outstanding in respect of this Scheme at the year-end was £1,208 (2016 £nil)

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 £186,613 (2016: £181,090) which included £106,574 (2016: £35,916) of past service deficit contributions. At the year end, £13,439 (2016: £16,486) was outstanding in respect of the Scheme

As at the balance sheet date there were 80 (2016: 75) active members of the Scheme employed by Thera Trust.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123 m., liabilities of £4,446m and a deficit of £1,323 m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows.

Deficit Contributions

Tier 1	£40.6 m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1 April)
Tier 2	£28.6 m. per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1 April)
Tier 3	£32.7 m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 April)
Tier 4	£31.7 m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 3.0% each year on 1 April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097 m and a deficit of £1,035 m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

24 Pension scheme (continued)

Present Values of Provision

	31 March 2017 £000	31 March 2016 £000	31 March 2015 £000
Present value of provision	794	862	688

Reconciliation of Opening and Closing Provisions

	Period ending 31 March 2017 £000	Period ending 31 March 2016 £000
Provision at start of period	862	688
Unwinding of the discount factor (interest expense)	17	12
Deficit contribution paid	(107)	(80)
Remeasurements - impact of any change in assumptions	22	(5)
Remeasurements - amendments to the contribution schedule	-	247
Provision at the end of the period	794	862

Income and Expenditure Impact

	Period ending 31 March 2017 £000	Period ending 31 March 2016 £000
Interest expense	17	12
Remeasurements - impact of any change in assumptions	22	(5)
Remeasurements - amendments to the contribution schedule	-	247
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account		36

Assumptions

	31 March 2017 % per annum	31 March 2016 % per annum	31 March 2015 % per annum
Rate of discount	1.33	2.06	1.92

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

After the year end, Thera Trust was notified that the 5.75 debt on withdrawal liability in relation to the Social Housing Pension Scheme had increase from £5.5m to £7.2m. This was as a result of a reduction in the bond yields used by the Pension Trustees to assess scheme deficit. A scheme valuation was undertaken at the end of September 2017 and Thera Trust's trustees expect to increase deficit contributions in the future,

However, Thera Trust's trustees have decided not to pursue other options to reduce these liabilities, expecting instead that future increases in bond yields will mitigate them.

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

24 Pension scheme (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 Midlands, 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 £273,785 (2016: £250,179). The amount outstanding at 31 March 2017 was £26,120 (2016: £33,386).

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

Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (FReM) requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2016, is based on valuation data as at 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

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

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

24 Pension scheme (continued)

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 (2016: £Nil)

On 22 February 2010, a transfer of contracts and all employees was made from Forward Living, a company limited by guarantee which has since been struck off the register of companies, 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. Contributions to the scheme during the year amounted to £38,454 (2016: £41,025). As at the balance sheet date there were 23 active members of the Scheme employed by the Society (2016: 23). 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. Contributions to the scheme amounted to £35,720 (2016: £34,809). At the balance sheet date there were 242 (2016: 213) active members of the scheme.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

25a Analysis of group net assets between funds (current year)

	General unrestricted £	Revaluation reserve £	Designated funds £	Restricted funds £	Total funds £
Intangible fixed assets	531,843	-	-	-	531,843
Tangible fixed assets	1,674,638	667,015	-	-	2,341,653
Investment properties owned	5,334,369	-	-	-	5,334,369
Investment properties leased	2,210,010	-	-	-	2,210,010
Net current assets	3,469,442	-	9,967	156,176	3,635,586
Long term liabilities	(4,992,503)	-	-	-	(4,992,503)
Net assets at 31 March 2017	8,227,800	667,015	9,967	156,176	9,060,958

25b Analysis of group net assets between funds (prior year)

	General unrestricted £	Revaluation reserve £	Designated funds £	Restricted funds £	Total funds £
Intangible fixed assets	333,460	-	-	-	333,460
Tangible fixed assets	2,183,916	667,015	-	-	2,850,931
Investment properties	5,730,196	-	-	-	5,730,196
Net current assets	2,874,559	-	7,288	189,763	3,071,610
Long term liabilities	(5,543,469)	-	-	-	(5,543,469)
Net assets at 31 March 2016	5,578,662	667,015	7,288	189,763	6,442,728

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

26a Movements in funds (current year)

	At 1 April 2016 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2017 £
Restricted funds:					
Support for MS TE	2,356	-	-	-	2,356
Loughborough sensory room and garden	943	-	(50)	-	893
BLF Boston sensory room	186	-	-	-	186
Pelaw Court bequest	-	-	-	-	-
BLF Speaking for Myself project, Reaching Communities programme	4,694	460	(5,154)	-	-
Suffolk relocation grant	3,243	-	(3,243)	-	-
Other property-specific projects	16,365	8,080	(2,545)	-	21,900
Sensory stimulation equipment, Lindisfarne	1,461	-	(1,461)	-	-
Ashlea holiday fund	336	-	(336)	-	-
The Hollies fund	40,329	-	-	(37,666)	2,663
L and D generic training	8,914	-	-	-	8,914
Holiday support fund	2,711	2,778	(2,372)	-	3,117
Horse nding, Boston	357	-	(322)	-	35
National Loan Guarantee Scheme	15,633	-	-	(9,300)	6,333
Innovation Bursary Safe and Secure	21,685	222	(22,928)	1,021	-
BLF Boston activities	7	-	(7)	-	-
Strathmartine Hospital Histories	(6,486)	-	(465)	6,951	-
PODS	470	-	(470)	-	-
Sawston Hydrotherapy Pool	655	1,049	(849)	-	855
Clacton Beach Hut	157	8,631	(8,747)	-	41
Social Enterprise Investment Fund	30,000	-	-	(30,000)	-
Scottish vocational qualifications	200	22,000	(22,200)	-	-
Gig buddies	21	18,500	(18,430)	-	91
TEN project	13	57,415	(57,342)	-	86
Building Bridges	-	21,325	(21,334)	9	-
TSW Assistive Technology	-	336	-	-	336
Allsorts	380	188	-	-	568
Grantham	54	-	-	-	54
Happy Snapper	841	50	(744)	-	147
Total restricted funds	145,525	141,034	(168,999)	(68,985)	48,575
Unrestricted funds:					
Unrestricted LGS Grant income transfer	32,053	-	-	9,300	41,353
Pension reserve	(862,000)	-	67,774	-	(794,226)
Designated funds.					
Designated development fund	2,368	-	(2,700)	9,999	9,667
Total designated funds	(827,579)	-	65,074	19,299	(743,206)
General funds	5,102,176	7,292,911	(6,521,570)	49,685	5,923,202
Total unrestricted funds	4,274,597	7,292,911	(6,456,496)	68,985	5,179,994
Charity total funds as at 31 March 2017	4,420,122	7,433,945	(6,625,495)	-	5,228,569

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

26a Movements in funds (current year continued)

	At 1 April 2016 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2017 £
Chanty total fund balance carried forward	4,420,122	7,433,945	(6,625,495)	-	5,228,569
Restricted funds:					
Property improvement fund - capital	-	-	-	-	-
Property acquisition fund	-	-	-	-	-
Dolphins' Den	5,000	-	-	(5,000)	-
Scottish Government	19,210	-	-	-	19,210
Scottish Government - Book	-	65,000	(59,931)	-	5,069
Scottish Government - E-Book	7,250	-	-	-	7,250
Scottish Government - Friendship event	-	-	-	-	-
Robertson Trust	10,275	-	(10,275)	-	-
Equal Futures Memberships	1,384	7,592	(8,742)	-	234
Circle of Support Fund	1,119	-	(965)	-	154
John Lyons Pro-Work	-	32,000	(32,000)	-	-
Aspire Community Hub	-	16,350	(16,350)	-	-
Markyes Close	-	-	-	75,678	75,678
Total restricted funds	44,238	120,942	(128,263)	70,678	107,595
Unrestricted funds:					
Revaluation reserve	667,015	-	-	-	667,015
Designated funds:					
Meet the Dragons	4,920	-	(4,620)	-	300
Total designated funds	671,935	-	(4,620)	-	667,315
General funds	1,306,434	57,036,911	(55,215,190)	(70,678)	3,057,477
Total unrestricted funds	1,978,369	57,036,911	(55,219,810)	(70,678)	3,724,792
Group total funds as at 31 March 2017	6,442,728	64,591,798	(61,973,568)	-	9,060,958
	At 1 April 2016 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2017 £
Reconciled to:					
Unrestricted funds	5,578,662	64,329,827	(61,668,997)	(11,692)	8,227,799
Revaluation	667,015	-	-	-	667,015
Designation funds	7,288	-	(7,320)	9,999	9,967
Restricted funds	189,763	261,971	(297,251)	1,693	156,178
Total restricted funds	6,442,728	64,591,798	(61,973,568)	-	9,060,958

The narrative to explain the purpose of each fund is given at the foot of the note below

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

26b Movements in funds (prior year)

	At 1 April 2015 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2016 £
Restricted funds:					
Support for MS TE	2,356	-	-	-	2,356
Loughborough sensory room and garden	843	100	-	-	943
BLF Boston sensory room	186	-	-	-	186
Pelaw Court bequest	1,420	-	(1,420)	-	-
BLF Speaking for Myself project, Reaching Communities programme	17,653	17,937	(30,896)	-	4,694
Suffolk relocation grant	3,243	-	-	-	3,243
Other property-specific projects	14,995	3,711	(2,341)	-	16,365
Sensory stimulation equipment, Lindisfarne	1,461	-	-	-	1,461
Ashlea holiday fund	336	-	-	-	336
The Hollies fund	40,329	-	-	-	40,329
L and D generic training	593	11,666	(3,345)	-	8,914
Holiday support fund	2,381	414	(84)	-	2,711
Horse riding, Boston	123	598	(364)	-	357
National Loan Guarantee Scheme	25,717	-	-	(10,084)	15,633
Innovation Bursary Safe and Secure	15,212	18,618	(12,145)	-	21,685
BLF Boston activities	3,992	704	(4,689)	-	7
Strathmartine Hospital Histories	1,045	34,600	(42,131)	-	(6,486)
PODS	375	329	(234)	-	470
Sawston Hydrotherapy Pool	2,404	3,001	(4,750)	-	655
Clacton Beach Hut	764	5,893	(6,500)	-	157
Social Enterprise Investment Fund	30,000	-	-	-	30,000
Scottish vocational qualifications	-	22,200	(22,000)	-	200
Gig buddies	-	22,258	(22,237)	-	21
TEN project	-	42,721	(42,708)	-	13
Allsorts	-	680	(300)	-	380
Grantham	-	54	-	-	54
Happy Snapper	-	1,319	(478)	-	841
Small one-off projects	-	5,000	(5,000)	-	-
Total restricted funds	165,428	191,803	(201,622)	(10,084)	145,525
Unrestricted funds:					
Unrestricted LGS Grant income transfer	21,969	-	10,084	-	32,053
Pension reserve	(688,000)	80,000	(254,000)	-	(862,000)
Designated funds:					
Designated development fund	3,966	-	(1,598)	-	2,368
Total designated funds	(662,065)	80,000	(245,514)	-	(827,579)
General funds	4,801,291	6,251,610	(5,950,725)	-	5,102,176
Total unrestricted funds	4,139,226	6,331,610	(6,196,239)	-	4,274,597
Charity total funds as at 31 March 2016	4,304,654	6,523,413	(6,397,861)	(10,084)	4,420,122

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

26b Movements in funds (prior year continued)

	At 1 April 2015 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2016 £
Chanty total fund balance carried forward	4,304,654	6,523,413	(6,397,861)	(10,084)	4,420,122
Restricted funds:					
Property improvement fund - capital	297,493	-	-	(297,493)	-
Property acquisition fund	3,116,967	-	-	(3,116,967)	-
Dolphins' Den	5,000	-	-	-	5,000
Scottish Government	-	71,478	(52,268)	-	19,210
Scottish Government - Book	4,047	-	(4,047)	-	-
Scottish Government - E-Book	7,250	-	-	-	7,250
Scottish Government - Friendship event	4,097	-	(4,097)	-	-
Robertson Trust	-	19,499	(9,224)	-	10,275
Equal Futures Memberships	1,613	5,853	(6,082)	-	1,384
Circle of Support Fund	1,309	407	(597)	-	1,119
Capability Scotland	-	2,500	(2,500)	-	-
Total restricted funds	3,437,776	99,737	(78,815)	(3,414,460)	44,238
Unrestricted funds:					
Revaluation reserve	-	667,015	-	-	667,015
Designated funds:					
Meet the Dragons	4,920	-	-	-	4,920
Total designated funds	4,920	667,015	-	-	671,935
General funds	(3,745,142)	49,083,030	(44,031,454)	-	1,306,434
Total unrestricted funds	(3,740,222)	49,750,045	(44,031,454)	-	1,978,369
Group total funds as at 31 March 2016	4,002,208	56,373,195	(50,508,130)	(3,424,544)	6,442,728
	At 1 April 2015 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2016 £
Reconciled to:					
Unrestricted funds	390,118	55,414,640	(50,226,095)	-	5,578,662
Revaluation	-	667,015	-	-	667,015
Designation funds	8,886	-	(1,598)	-	7,288
Restricted funds	3,603,204	291,540	(3,704,981)	-	189,763
Total restricted funds	4,002,208	56,373,195	(53,932,674)	-	6,442,728

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

26 Movements in funds (continued)

Purposes of restricted funds

Support for Ms TE

Amount donated to provide support to Ms TE.

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 £27,443, and expenditure in the year amounted to £32,060.

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.

Sensory stimulation equipment fund, Lindisfame

This fund arises from charges made to organisations and individuals for the use of sensory equipment located at Lindisfame 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.

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

26 Movements in funds (continued)

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

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.

Innovation Bursary Safe and Secure

Innovation bursary received from Leicester County Council to provide Safe and Secure workshops.

BLF Boston activities

Funding from a Big Lottery Fund Awards for All grant of £7,516 for sporting and leisure activities. £60 expenditure has been incurred during the current year

Strathmartine Hospital Histories

Funding from The Heritage Lottery Fund for Strathmartine Hospital Histories.

PODS – People Out Doing Stuff

Local fundraising to be used for a club for people who want to make friends, share activities, learn new skills and have fun.

Sawston Hydrotherapy Pool

Local fundraising to purchase a hydrotherapy pool for a house in Cambridgeshire.

Clacton Beach Hut

Local fundraising to purchase a beach hut in Essex.

Social Enterprise Investment Fund

Funding received towards information technology equipment.

Scottish Vocational Qualifications

The Scottish Government Voluntary Sector Development Fund for staff training.

Gig Buddies

Funding from Midlothian Council to support people to attend music gigs and functions.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

26 Movements in funds (continued)

TEN Project

Funding from the Scottish Government to a collaboration between three organisations to provide formal support with informal networks.

Building Bridges



Dolphins' Den in Swindon and Wiltshire is part of the Building Bridges Programme. Building Bridges is a partnership of organisations, led by Community First, that has come together to deliver the Building Better Opportunities Programme across Swindon and Wiltshire.

The aim of the programme is to support people who are furthest from the labour market and experiencing significant barriers and challenges to access the skills development, education and/or experience they need to be able to progress towards, achieve and sustain ongoing employment.

The project has received up to £3.9M of funding from the European Social Fund and the Big Lottery Fund as part of the 2014-2020 European Structural and Investment Funds Growth Programme in England. The Department for Work and Pensions is the Managing Authority for the England European Social Fund programme. Established by the European Union, the European Social Fund helps local areas stimulate their economic development by investing in projects which will support skills development, employment and job creation, social inclusion and local community regenerations. For more information visit <https://www.gov.uk/european-growth-funding>

Allsorts

Funding from Bingham Town Council for activities for people supported in Bingham, Nottinghamshire.

Grantham

Local fundraising

Happy Snapper

Local fundraising to subsidise the costs of a photography group.

Property improvement fund

These derived from grants received towards the cost of specific property improvements. The restrictions have been lifted and therefore the fund was transferred to unrestricted funds in the year to March, 2016.

Property acquisition fund

These derived from a 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 this grant was replaced by a grant from the Torbay Care Trust. The restriction on these properties has been released and therefore the fund was transferred to unrestricted funds in the year to March 2016.

Dolphins' Den

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

Scottish Government

The Scottish Government funding is in respect of core funding and grants are applied for on an annual basis.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

26 Movements in funds (continued)

Scottish Government – Book and E Book

The Scottish Government Book and E-Book grant is towards the costs of producing the Scottish edition of PLAN's Canadian "Safe and Secure" book and developing the Equal Futures website. The book was printed in March 2011. The fund balance will meet storage and other costs associated with the book and the development of an E-Book.

Scottish Government – Friendship events

The Scottish Government grant is to fund the delivery of Recommendation 34 (The Keys to Life) of the new national disability strategy.

Robertson Trust

The Robertson Trust grant is to fund part of the salaries of network co-ordinators.

Memberships

Lifetime membership fees pay directly for hours worked by a facilitator to build a Circle of Support around a relative with a disability.

Circle of Support Fund

This is a fund to provide financial support, where required, towards lifetime membership.

Capability Scotland

Funding to support four circles of support in Perth.

Purposes of designated funds

Meet the Dragons

Funding to continue the development of Dosh Limited.

Development Fund

Funds designated to allow discretionary support for the additional needs of people supported through Thera, not available from other funding sources.

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

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

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	2,618,230	2,440,520
Depreciation charges and impairment	594,123	321,361
Loss on disposal of investment property	6,343	-
(Gains)/losses on investments	389,364	(137,250)
Interest receivable	(3,587)	(1,384)
Interest payable	235,048	173,907
Pension interest	16,800	12,000
Amortisation of intangible fixed assets	88,692	8,000
(Increase)/decrease in debtors	(1,476,005)	(978,156)
Increase/(decrease) in creditors	253,751	(1,447,743)
Assets acquired on acquisition of charitable company	-	(1,782,129)
Donated properties	(2,210,010)	-
	<hr/>	<hr/>
Net cash provided by / (used in) operating activities	512,748	(1,390,874)
	<hr/> <hr/>	<hr/> <hr/>

28 Analysis of cash and cash equivalents

	At 1 April 2016 £	Cash flows £	Other changes £	At 31 March 2017 £
Cash at bank and in hand	2,502,555	(1,233,206)	-	1,269,349
Overdraft facility repayable on demand	(1,327,982)	356,356	-	(971,626)
	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and cash equivalents	1,174,573	(876,849)	-	297,724
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

29 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods.

	Property 2017	2016	Equipment 2017	2016
	£	£	£	£
Less than one year	247,340	214,314	281,060	364,387
One to five years	635,952	609,841	247,953	329,579
Over five years	684,154	643,900	-	-
	1,567,446	1,468,055	529,013	693,966

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2017	2016	Equipment 2017	2016
	£	£	£	£
Less than one year	52,506	52,809	281,060	362,263
One to five years	210,024	211,236	247,953	329,579
Over five years	190,461	237,440	-	-
	452,991	501,485	529,013	691,842

Forward Housing SW has entered into contracts with Touchpoint Housing (FH) S.A.R.L. to lease 46 properties over a 20 year period. The total annual rent payable under these leases is £672,174 (2016: £200,271). These properties were then sub-leased to Empower Housing Association at the same rental charge.

30 Contingent assets or liabilities

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.

In common with many organisations in the sector, a number of subsidiary companies in the Group either have been or may be invited to, or intend to, join the Social Care Compliance Scheme in relations to the national minimum wage review by HMRC. As appropriate, companies are either satisfied with current contractual and policy arrangements or are updating their arrangements accordingly. There has been no specific adverse finding in relation to any company's past practice, and given the wider uncertainty in this area, and having taken legal advice, trustees/directors do not therefore believe it appropriate to make any provision in the 2017 financial statements in relation to this matter. Trustees/directors further believe that, in the absence of an adverse finding under the Scheme or otherwise, any contingent liability would either not be material or is not possible to quantify.

31 Post balance sheet events

Subsequent to the year end, Forward Housing disposed of an investment property in Devon for the net sum of £371,728 and Aspire Living disposed of a property in Hereford for the net sum of £284,000.

Thera Trust

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2017

32 Prior period adjustment

Details of adjustment

Recognition of charge settlement During 2016-17, Forward Housing SW completed a transaction with South Devon and Torbay CCG in respect of a grant agreement relating to certain properties in Devon and Torbay. This transaction involved the cash payment of £956,257, £566,893 of which was originally committed in July 2013. The transaction removed the restrictions on both the use of, and title to, these properties. Further advice on the treatment of this transaction in the accounts has resulted in a prior year adjustment reflecting the initial commitment, with the additional sum being accounted for in the year to March 2017, during which year the total cash sum was actually paid.

Impact on reserves

	31 March 2016			1 April 2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Funds previously reported	3,185,818	-	3,185,818	(337,836)	3,414,460	3,076,624
Adjustments on restatement						
Recognised of charge settlement	(566,893)	-	(566,893)	(566,893)	-	(566,893)
Funds restated	2,618,925	-	2,618,925	(904,729)	3,414,460	2,509,731

33 Forward Housing SW

By way of a Framework Agreement between Touchpoint Housing (FH) S.A.R.L. (a subsidiary of Cheyne Capital), Thera Trust and Forward Housing SW completed in July, 2015 and a variation to the Agreement effective from 31st March, 2017, Forward Housing had control, by way of 20 year, renewable lease, over a portfolio of 46 properties with the right to purchase at the end of the lease. There were sub-leases to Empower Housing Association, a registered Housing Provider who granted assured tenancies in the properties to people with a learning disability.

The trustees of Forward Housing SW have reviewed the accounting treatment of this portfolio and have decided to recognise a fixed asset on the balance sheet. The asset represents the economic benefit inherent in the sub-leases measured at fair value by the trustees of Forward Housing SW will assess the fair value of the asset at each balance sheet date with changes in fair value being reflected in the statement of financial activities. Changes in the fair value will be affected by changes in the rate of the Consumer Prices Index (CPI) to which rental flows are linked.

No consideration has been granted in relation to the change in value of these properties, and the asset has therefore been recognised by way of a gift in the statement of financial activities, in the periods during which the properties were purchased, adapted and leased by Forward Housing. (In 2015-16, £850,010 has been recognised as a prior year adjustment and a further £1,360,000 has been recognised in 2016-17)

34 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 and Ansar Projects Limited which has 2 Ordinary Shares of £1 each). The liability of each member in the event of winding up is limited to £1.