



**THERA TRUST**

**Registered No: 03593418**  
**Charity No: 1090163**

**TRUSTEES' CONSOLIDATED REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2018**

# **THERA TRUST**

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# **THERA TRUST**

## **INTRODUCTION**

**These papers tell readers what the company has been doing between April 2017 and March 2018.**

**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 2018**

The Directors are pleased to present their report and financial statements for the year ended 31 March, 2018.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

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

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**Auditor**

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

**Solicitors**

Anthony Collins Solicitors LLP  
Canning  
134 Edmund Street  
Birmingham  
B3 2ES

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

Garner  
11 Aldergate  
Tamworth  
B79 7DL

**Principle Bankers**

Barclays Bank plc  
43 High Street  
Sutton  
Surrey  
SM1 1DR

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**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 (Senior Independent Director)

Karen Boyce-Dawson\*

Christine Chang

Simon Conway\*

Jennifer Garrigan\*

Peter Jones

Jill Parker (appointed 12 January, 2018)

Martin Pilkington

Christopher Rheinberg (appointed 7 June, 2018)

Matthew Smith\*

Jon Wilson (appointed 24 November, 2017  
resigned 6 February, 2018)

Brian Young

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

\* Represents the senior leadership team of the charitable group of companies.

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**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;
- ✓ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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- ✓ 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.



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## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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report

### **Report of the Directors and Trustees<sup>1</sup>**

"Reflecting on progress within the Thera Group, the fact that this is my final report before leaving the Trust divides my thoughts into two.

First, progress over the last year since the last report. This is covered comprehensively in the report from the Trustees. We have articulated a direction for the Group for the next 10 years, and have put in place an outline plan for its delivery. This will, alongside the Vision, provide a focus for the Trustees, and the thirty companies within the Group. There is much in the report which highlights success, partly seen through the eyes of people supported by the Group. The stories tell all, in real terms, and the third Social Impact Report provides active demonstration of the benefits delivered in support of people with a learning disability.

On a personal note, the establishment of Unity Works Social Enterprises as a separate charity within the Group is very welcome. This will build on the existing skills and excellent work achieved by The Camden Society in supporting and running social enterprises, helping individuals into employment, and employers to make their organisation more accessible to people with a learning disability.

The charity will focus on extending the opportunity to a wider audience, providing more people with much-needed support in this

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<sup>1</sup> Thera Trust seeks to make its annual report and accounts accessible to all of its readers, including those with a learning disability, whilst meeting all statutory requirements. This approach requires us to "tell the story" comprehensively for the year. Key information required as part of the strategic report (context to the financial statements, analysis of our performance and insight into our objectives, strategies and risks) is woven throughout and a single integrated report is therefore being provided.

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area. This will sit alongside the existing specialist companies providing housing, financial advocacy, and other specialist services.

The issue of a further bond with Triodos Bank, together with the additional funds made available through the relationship with Cheyne Capital provides further housing opportunities for individuals who might otherwise find it difficult to find appropriate housing for their needs in areas where they choose to live.

Reflecting further back, the development of a group structure has enabled the Group to develop support widely across England and Scotland, whilst remaining locally focused. Specialist companies dovetail well into the structure, with dedicated teams and leadership, delivering focused expertise to those who need it. Housing is both difficult and expensive to deliver, requiring substantial amounts of capital, but, seeing individuals thrive in a home environment tailored to their needs is something very special.

The world of social care becomes ever more challenging, with expanding need in a growing population, using limited resources to deliver society's expectations. Inevitably, it falls to charities to attempt to bridge the gap between that expectation and reality. The dedication of those people inside Thera who provide support in many ways to people with a learning disability is both enabling and a testament to the Vision, which has now stood the test of time for more than 20 years. Something to celebrate indeed! The hard work and dedication of all those involved continues to pay off. My thanks

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to you all on behalf of the Trustees. It is both appreciated and valued.

There are now many stakeholders in Thera with, more recently, the inclusion of bondholders loaning their money to benefit others, with success demonstrated by the, now regular, Social Impact Report. The directors and trustees of all the companies, including Thera Trust, many of whom are volunteers, work for the common benefit of people supported. Their numbers have grown as the Group has developed, and it has been my privilege to work with many of them. As well as developing and maintaining good governance, the confidence I see developing in leaders, particularly those with a learning disability, is a joy.

Well done Thera, and all those who support it. Long may its success continue to benefit people with a learning disability."

Bill Carter  
Chairman

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**important**

### **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. Hate crime is frequently covered in the media and people still find themselves limited in their life choices by lack of funding or suitable property, on the margins of their local community or excluded from employment. It's still the

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case that people with a learning disability, particularly those with complex needs, remain hidden away from society. Thera's Vision remains as relevant and necessary as it was when the organisation was first established.



direction

### **Strategic Direction**

Last year, Thera Trust's trustees reviewed and updated Thera's strategic direction. It remains focused 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

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- ✓ Facilitating Access to Specialist Housing Within People's Chosen Communities
- ✓ 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 requirements<sup>2</sup>. Thera's objects, aims and activities continue to be charitable and provide benefit both directly and indirectly to individuals in need. The organisation does not restrict its activities on the basis of ability to pay and nor are they unreasonably restricted in any other way.

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<sup>2</sup> Thera Trust's charitable objects are for the public benefit and are "the relief of persons with a learning disability, their families and carers by the provision of support services including services in the support of residential, respite and other suitable forms of care, education and work opportunities and to promote public awareness of the needs of such persons and to give support to their families" and "the promotion of the effective use of charitable resources for the benefit of the public by the provision of services to organisations involved in the relief of persons with learning disabilities, their families and carers." and "the company can do all other things that are incidental or conducive to its objects or any of them."

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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, 2018, Thera was providing support to just over 3,000 people with a learning disability (31 March, 2017 – 2,800) across the UK.

The range of Thera's work is described in its Social Impact Framework. After the year end, our third independent Social Impact Report was produced showing Thera's performance against this framework. This can be viewed online at <https://www.thera.co.uk/about/trust/annual-report/>.

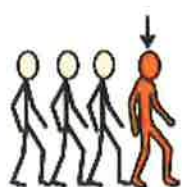
Thera employs staff who support people in their own homes and as part of their local community, in developing a range of practical life skills, for short breaks (respite), holidays and with specialist services. We employ staff who are experienced in supporting social enterprises, in helping people to find somewhere suitable to live or 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.

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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.



leader

### *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.



# Thera Trust

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great

Ian Harper, Service Quality Director of Aspire Living says “What a year it has been! I am mindful that part of [our] Vision is that “people with a learning disability are leaders in society”. I am proud to be the Service Quality Director for Aspire. My role incorporates using my lived experience of having a learning disability to help the people we support live the life that they choose and to realise their ambitions, large or small. It is great to be a part of the team that endorses this vision. I am continually inspired by the people we support and our dedicated staff teams when I’m out and about visiting everybody .... I have continued to be involved with advocacy, Learning Disability Partnership Boards and maintaining an overview of the health and social care sector. My journey continues and my role as Service Quality Director is firmly embedded within [our] culture. I am looking forward to the year ahead.”

### *Individual (Direct) Support – Supporting People to Have a Great Life!<sup>3</sup>*

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.

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<sup>3</sup> In some instances, people supported by Thera have asked that their real names are used in the stories in this section of the report.

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“Tony” didn’t go to his clubs for 12 years, but, since moving into his own place, he has returned to be with his friends, been going out shopping and goes home regularly to see his parents as he now has his own car. He is always telling everyone how happy he is to be living in his house.

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.

My name is Julia. Like a lot of people with a learning disability, I spent a long time in a long stay hospital before I finally got my own flat. I have really complex dietary needs and everyone was worried about my diet when I came out of hospital. My staff support me to make all my food from scratch. I have a menu planner and recipe cards to help. They were a bit nervous about the challenge of making all my food from scratch but they are fantastic and my food is delicious and nutritious. We have even started to get very creative with the left over vegetables. I now have homemade soup instead of having canned soup so I can honestly say everything I eat is home-made! I've had delicious fillings for wraps like char-grilled vegetables with a chilli and mango dressing on a bed of spinach; stewed fruit for my puddings too which goes great in my yoghurts. Everyone is very pleased that I am doing so well with my diet as it is a really big deal for me and it is important that we get it right.

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Thera supports, helps and encourages people to take an active part in their local community, in employment, education, hobbies and interests, for short 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.

“Badeel, Nichola, Carl and Karim” did a road trip mini break to Scarborough. It was a lovely opportunity to spend time together and build on friendships.

“Amir” joined his family for the first time on their annual trip back to Pakistan to see other family members. In the month leading up to the trip he was supported by his staff team to spend more time with his family so they could get to understand some of the things that are important to him and be better able to support him while away. Since returning “Amir” has spent more time with his family and will be returning to Pakistan this year.

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Singh is an 18 year old man who lives with his family. Before staying at Hotel in the Park, he had never stayed away from home and was anxious about changes to his routine. We offered Singh transition stays where he was able to stay for a short amount of time during the day, allowing him time to adjust to the new environment. At the start of the transition period Singh found it difficult to settle, but to help establish a routine, he was offered a booking on the same day every week and activities were planned to happen at regular times. With support from Singh's parents and partnership work with his school, we developed a common approach. Singh's parents were happy with the transitional support which enabled him to become more independent and the family to have some respite. Singh now enjoys spending time at Hotel in the Park and is planning some overnight stays.



employment

#### *Employment, Training and Social Enterprises*

Under the Unity Works brand, 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 experience and expertise is starting to be shared more widely across the Group and new social enterprises have started to take shape.

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Teresa is a young woman who we supported to get a job as an office runner for a production company. We worked in partnership with Teresa's employer to adapt the job to suit her skills and develop her independence at work. This was Teresa's first paid job as, although she had completed many work experience placements and internships in the past, she had experienced issues with her understanding of social interactions and none of these had led to a permanent post. When Teresa started work with the production company, we provided her with a job coach to help her focus and prioritise tasks, and encourage her to be more independent. The job coach provided advice and guidance to her team mates on how to address issues directly with Teresa. Teresa is enjoying her job and looking forward to developing her career in TV production.

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Following the launch and opening of 82 Crafts and Creations in December 2016, the shop has continued to receive fantastic support from the local community. The shop has regular customers who keep popping back to see and purchase new stock. Customers have also made regular donations of items for Craft making. 82 Crafts and Creations has had many new suppliers since the shop opened and some of the suppliers also join the Craft Group held at Club 82 on a Thursday. The sales each month have been good and steady and the craft items made by Club 82's Craft Group has been very popular and make the most sales! The future plan is to rent a larger shop if possible and have a craft room on the premises where people can also develop their crafting skills and learn to use sewing machines. Seven people work in the shop who have learnt a number of skills including completing fire checks, recording new stock, serving customers and using the till. People we support will now be able to work towards gaining a recognised qualification in order to move on to paid employment. 82 Crafts and Creations is also member of the Whittlesey Business Forum and attend their monthly meetings.

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**Dolphins' Den** *Supporting Entrepreneurs*

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

A lady came to our Chippenham Dolphins' Den workshops who wanted to become a receptionist. We worked with her to find out what it is that she likes about being a receptionist and what parts of the job she feels she is good at. This helped her shape her thoughts and she eventually came up with the idea of setting up her own meet-and-greet business. She was matched with a mentor who specialised in event marketing. They worked together to do some research about what kind of events she would like to work at and to explore her competition. Her mentor also helped her with preparing a CV. In the meantime, she found a meet-and-greet position at Bath Abbey, where she currently works to practice her skills for a few hours twice a week. She is currently looking at extending her hours to working three times a week.

We also employed her to meet and greet guests at our celebration event in Swindon in January, 2018 and hope to do so for the one coming up in January, 2019.



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### *Housing Support*

#### housing

Thera provides a housing brokerage service to help people with a learning disability find somewhere to live. We work with a number of housing associations and other housing providers to help people find a place of their own.

In addition, 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.

“David” and “Daniel” had the exciting opportunity to move into a new property in April, 2018. The new property is situated in a quiet and pleasant location and is close to a variety of amenities suitable for their daily requirements and activities. “David” and “Daniel” were really excited about the move although were reluctant to pack their items as they were quite happy to allow others to manage this task! On the day of the move, all items were successfully transferred to their new home while “David” and “Daniel” were busy with other routine activities. When “David” arrived at his new home he was very quiet and overwhelmed, very unusual for him as he is normally very loud and chatty and the life and soul of the party. “David” wandered around the property, taking his



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time looking in every room. When staff asked him if he was ok, he said that he was so happy and began to cry. He continued to thank staff for this opportunity and couldn't believe how lucky he was. "David" said that he loved his new home and began tidying and organising his bedroom the way he wanted it. When "Daniel" arrived home, he too was very overwhelmed and wandered around his new home trying to familiarise himself with everything. "He said he was happy and continued to walk around his home looking at all the different rooms in disbelief. When "David" and "Daniel" went out into the garden, the look on both their faces said it all! They could not believe this was theirs. At their previous house, the garden was more of a yard, which was dark and enclosed, so when they saw how big and lovely the garden was, they couldn't contain their excitement. "David" started planning a garden party and BBQ straightaway. Within a week, they had both chosen and bought new furniture for the house and helped their staff build and set it up. Just to add to the excitement, "David" got his first car shortly after moving in. He has never had a car and has continued to thank his staff for helping him. "Daniel" is also getting his own car and is looking forward to the journeys he can venture on.

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Thera was asked to support two men, "Ben" and "Max" who had developed a long standing friendship over the years whilst they were both living in the secure hospital where "Max" still lived. Both men have a learning disability and forensic history. "Max" also has a personality disorder and has abused alcohol in the past. The two men are now in their fifties and wanted nothing more than to return home to their home town, where they could put down roots and rebuild their relationship with their families.

At the time, "Ben" had moved from the hospital and was living in a large residential care home 15 miles from his home town, with eleven other people. He tried hard to maintain contact with his father and his brother despite the distance and lack of transport. "Ben" suffers from depression and complained frequently that he did not feel safe or happy there. He was also very lonely but struggled to form new relationships with other people as he had been exploited financially in the past. He knew and trusted "Max" and wanted to share with him.

"Max" was still living in the secure hospital, which was over 50 miles away from his home town. His mother struggled to visit him there as she does not drive and his sister was often too busy. Over the twenty years he had been there, "Max" had seen many people come and go, including "Ben", but had never been offered the chance to move into his own home. After years of therapy, he now felt ready to live more independently, accepting that there would be some restrictions in place regarding exactly where he could live.

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Both men were very clear about what they wanted to live together in a bungalow, ideally with a reasonably sized garden for “Max” who is a keen gardener. It needed to be in a quiet residential neighbourhood, but with access to public transport so they could visit their families and vice versa. “Ben’s” ambition was to get a job in a garage, as he loves working with anything mechanical.

Thera’s Project Manager arranged for a series of meetings between the two men to ensure that they really were as compatible as they believed they were, and involved them in looking at a number of potential properties, before they chose the one that best met their needs. They were also involved in deciding what qualities they needed in the people who would be supporting them and were informally involved in the staff selection process. The two men have been living in their new home very happily for several months now and are slowly building up their knowledge of the area, and developing new friendships and activities. “Max” has found a voluntary post in a charity shop two days a week. He goes to the local bingo hall every week and has joined a ‘knit and natter’ craft group. He has also taken up swimming again twice a week to help with keeping his weight down. His conditional discharge has been extended so he can spend some time unsupported in the community. “Ben” works in a different charity shop one day a week, and has a job in a local café one day a week where he is studying for his NVQ1 in catering. He plans to take on another job in another café shortly.

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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.

Rachel was referred to us by her social worker in September, 2017 because, whilst Rachel has capacity, she does have a learning disability and she cannot cope with the paperwork and budgeting on her own. When first meeting with Rachel she literally just managed with her weekly money, with minimal amounts on food etc. After chatting through with her social worker, Rachel and her support provider, Rachel said she wanted us to receive her benefits into a Dosh account as if we were appointee. Her social worker discussed this at length with her and she completed the necessary paperwork because Rachel can say what she does want or doesn't! Just 6 months on and now Rachel has a PIP award in payment together with a backdated payment and we are supporting her to get her enhanced rates of ESA. She has approx. £3,000 in her Dosh account and said to me last week when I saw her she feels so much happier generally and feels much more relaxed knowing that the bills are set up to be paid without her worrying about them. She also feels happier knowing that people can't ask her for money because she hasn't got it in her account. She said this is the first time in her life she has been receiving this level of benefits and she feels "like a weight has been lifted off her".

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### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

We received a referral to support a gentleman in March, 2017. He had made an application for PIP and been through the assessment prior to our involvement, and when his award letter came to us a few days after we became his appointee, it was for a nil award and on the breakdown he had scored no points whatsoever. As he had no other benefit claim (he had also been turned down for ESA) this decision also meant that he had no income.

Although he was very new we started the mandatory reconsideration process, which suffered delay after delay before we were told that they had not changed their decision. After a great deal of effort from two of our advocates we were able to present additional evidence and go to a formal appeal.

This also suffered delays and postponements and took almost 5 months to reach the tribunal date. The day before the hearing date we received a letter to say that it had been cancelled because PIP had changed their decision, and the new one was more favourable. The next day, we received a payment of PIP totalling £8,323.85, an astounding amount and a lifeline for someone who had been struggling to get by, relying on favours from friends and some help from his local council to meet his daily needs. With this amount of money he will be able to get his life back on track, settle any debts he has built up, and start to look forward with a little financial security and a proper income stream.

# Thera Trust

## REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2018



### *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.

Dominic Sainsbury is one of The Quality Company's Senior Quality Assessors. You can hear him talking about his role and what it means to him at <https://www.thera.co.uk/about/companies/the-quality-company/>



### *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.



## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

Austen has told us about the TEN Project. "Creating opportunities for people to be more sociable and supportive of each other is a great way to achieve increased independence and reduced reliance on paid support.

"Dave" is a young man with autism, who wants to do more with his life but has felt socially isolated. Working with TEN and accessing our social groups, he has said he now feels better and his outlook on life is improving. When he attended our first meet up, he was apprehensive at first as he didn't know anyone and said he wanted to leave after 10 minutes. However, after being at the event for 2 hours, "Dave" was one of the last people there, chatting with a group of people about their love for Pokemon Go. "Dave's" support worker said "I've honestly never seen "Dave" be this socially confident. It's amazing to see him be himself and have people accept him and talk to him on a level like this."

"Fred" spent most days at home which was causing a strained relationship with his parents. With the help of TEN, linking in with groups and liaising with Social Work to discuss and better shape his support, "Fred" now has a week of varied activities – fishing, arts and crafts and social events and his parents now relish his one spare day as to catch up and feel more like a family. "Fred"'s parent said "twelve months ago we felt like we were getting nowhere and banging our heads off a wall ... [but now] we're at a point where we are really happy. "Fred" has plenty going on ... that he seems really interested in and engaged with. We get a day where we can do things like go to the cinema, or see his sister. We appreciate each other's company now because we're not together every second of the day, and "Fred" is reacting well to being out and about."

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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Gig Buddies Scotland has seen great growth and development in the past year. The biggest came in July, 2017, when the project secured three years of funding from West Lothian Council to run in their area.

This funding has currently seen 6 Gig Buddies pairings made in the area as well as regular social events being organised. We're also proud to have hosted 3 immensely popular 'Real Gigs in Real Venues' events in West Lothian, one in collaboration with Independent Venue Week 2018, and another as part of West Lothian's local Learning Disability Awareness Wee celebrations. These events showcase the amazing work of musicians with a learning disability, while introducing people to their local mainstream music venues in a comfortable way.

We are also incredibly proud of our relationship with The Edinburgh Festival Fringe. The Fringe is the largest arts festival in the world, and our relationship with them has developed year on year. Throughout this period we served as their partner on access for people with a learning disability. In return for our members helping them develop their accessibility information, the project received a large number of festival vouchers. This is a partnership that continues to develop and we have many exciting opportunities for our members throughout the 2018 festival.



# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



role

### **The Role of Thera Trust**

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

- ✓ the guardian of Thera's Vision and philosophy
- ✓ as a registered charity overseeing the Group's charitable activities and resources
- ✓ the parent company of the other 29 companies in the Group
- ✓ in delivery of special charitable projects, research and co-ordination of group-wide fundraising
- ✓ 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 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

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

Involvement for 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.

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 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 fundraising 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.

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.

# THERA TRUST

## REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

year ended 31 March 2018



location

### Where Thera Works

During 2017-18, 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 London and in Oxfordshire, and Aspire supports people in Herefordshire and the West Midlands. Thera (Scotland) supports an increasing number of people in South East Scotland and the Highlands. Dosh also supports people in South Wales.

This map shows the areas that Thera covers.

#### KEY

 The areas that Thera covers



# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



manage

### **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.

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.

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.

# 20

20

### **Thera is 20 Years Old!**

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

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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under an updated set of Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.



### **There are 30 Thera Companies!**

As Thera has grown and developed, it has set up a group structure to continue supporting people through a number of smaller, locally focused 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.

## REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)

The organizational chart for Thera Trust is structured as follows:

- Thera Trust** (Specialist company)
  - Regional support company**
    - dash** (Dormant company)
    - FORWARD Social HOUSING** (Trading company)
    - The Quality Company** (Dormant company)
    - equal futures** (Trading company)
  - Trading company**
    - Thera West**
    - Unemploy**
    - Thera Ltd**
  - Regional support company**
    - Thera East Anglia**
    - Thera East Midlands**
    - Thera North**
    - Thera East**
    - Thera Scotland**
    - Thera South Wales**
    - Thera South West**
    - chisair**
    - THE CAMDEN SOCIETY**
    - Aspire**
  - Trading company**
    - chisair**
    - THE CAMDEN SOCIETY**
    - Aspire**
    - Thera East Midlands**
    - Thera North**
    - Thera South Wales**
    - Thera South West**
    - chisair**
    - THE CAMDEN SOCIETY**
    - Aspire**

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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 Living<sup>4</sup>.

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 several companies to provide specialist support to people. These companies all work nationally. The Quality Company provides quality assurance services and started its work

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<sup>4</sup> Forward Living, a charitable company limited by guarantee joined the Group on 1st January 2009 and was struck off the register of companies on 7<sup>th</sup> May 2013.

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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on 1 April, 2008. Dosh provides financial advocacy and appointeeship services and started its work on 1 October, 2008.

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. After the year end, Unity Works Social Enterprises and The Camden Society (London) were incorporated as a first step towards a re-structuring of The Camden Society's activities and were dormant at the date of this report.

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. On 1 January, 2016, it started supporting people in the West Midlands, with the transfer of a number of contracts and staff from Thera West.

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.



# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES**

### **(INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

Uemploy, Thera West and Thera Ltd were dormant during the year to 31 March, 2018.

On 28 March, 2017, Thera incorporated ten 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. All but one of these companies was dormant during the year.

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



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

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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



Thera Trust has achieved the status of a Disability Confident Employer, which recognises that our systems and processes are adapted to encourage the recruitment of staff with a disability and to support them in work.



**staff**

#### **Thera Employs Good Staff**

At the end of the year the Thera Group employed over 3,370 people (March 2017 – 3,250), 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. Towards the end of the year, we started to review our training arrangements to ensure that we can continue 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.

Following the previous year's pay award, we were delighted this year to be able to award a material increase in staff salaries across the Group. This should enable us to continue to be able to recruit

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and retain high quality staff in an increasingly competitive labour market.

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 gender, 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.

An increasing 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 are backed by a £50,000 annual investment by Thera Trust under the control of our Employee Consultative Councils.

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

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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"Following our conversation this morning, I am just writing to say that I went over to "Ben's" this evening and met with "Karen" and I have to say what a bright, articulate, confident and friendly young lady she is. She certainly made me re-think what I said about not wanting 18 year olds to work with "Ben". Today she had taken him by bus for a trip to Gadebridge Park and they had a very nice time. This evening "Ben" was very calm and relaxed. She answered all my questions/concerns in a very mature and confident manner and she appeared to have familiarised herself with us ("Ben's" parents/family). In short, I was very impressed with her. Hopefully her relationship with both "Ben" and ourselves will continue and grow. Regards, "Linda" (Parent of "Ben")"

"I just wanted to say 'thank you' to your team of PAs working with "Kerry and "Louise". They have always kept me well informed about their activities with my girls, but since the purchase of the girls' own mobile phone, your PAs are now able to send me photos, clips of film etc. showing my girls having fun. So I get to see them, instead of just hearing about it. Recently they took my girls to see Jungle Book at Loughborough Town Hall. Then they took the trouble to queue for a photo with some of the cast, and with their friend. So I have some lovely souvenir photos of their trip out. Similarly I now have photos of my girls at Carriage Riding, Bike Riding, Bamboozle (sensory theatre group), etc.

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These are wonderful examples of caring Carers, who are great ambassadors for your Community Support Team. Please pass on my 'Thank you' to each PA caring for my girls, for the great work they all do. Regards, "Susan" (parent of two ladies we support)"



### **Company News from 2017-18**

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 over 3,000 people with almost 3,400 staff. Approaching 6,500 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 as well as in our Social Impact Report.

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



### ***Forward Housing***

In December, Forward Housing secured a further £12.5 m of funding from our partnership with Cheyne Capital. This partnership enabled a further 10 properties for 15 more tenants during the year and in excess of 50 people were advised by Forward Housing's Housing Broker.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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### *The Quality Company*

During the year, The Quality Company's staff reviewed their company vision and decided that they wanted to be more aligned with the charitable approach of the wider Thera Group. As a result, The Quality Company is considering a change to its constitution to that of a not for profit company limited by guarantee.



### *The Camden Society and Thera South Midlands*



During the year and subsequently, The Camden Society has decided to re-structure its work. A major review of certain contracts in London and Oxfordshire prompted a fundamental review of its activities and an approach was made to Thera South Midlands by Thera Trust as a result. Wishing to expand its employment, training and social enterprise activities across the UK, these will be transferred to a new company, Unity Works Social Enterprises, recently incorporated by Thera Trust. Thera South Midlands has also agreed to transfer the entirety of its work to The Camden Society, to be managed alongside its work in Oxfordshire, with work in London being vested in a new company focused working only in London. These changes are expected to be completed during 2018-19.

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

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



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 2017-18.

Thera's income in 2017-18 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.

Group incoming resources in 2017-18 were £67.2m (2016-17-£64.6m). The increase reflects support to more people across the Group. Income in 2018-19 is expected to be around £69m, as we make increased use of the capacity within the Group's infrastructure.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES**

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**year ended 31 March 2018**

During the year, the Group retained a surplus from its charitable activities of £0.7m (2016-17 £0.8m), after governance and exceptional costs.

Whilst a pleasing result, it could have been better. Three companies in the Group overspent against their budget considerably. In one case, this was due to continued contract management challenges and a difficult relationship with a local authority customer. In a second, a further increase in the number of people supported in one area led to 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. Finally, a third company needed to support a large number of people through a major programme of needs assessment under one of its contracts undertaken by a local authority seeking to make significant funding cuts.

As last year, Forward Housing's Trustees have recognised a further donation of £0.5m in the accounts representing the addition, without payment of any consideration, of the economic benefit inherent in certain leases granted by Forward Housing measured at fair value over their extended lifetime, which is included in the result for the year. There will not be a similar donation in 2018-19.

In addition, the Trustees received a valuation of the Group's freehold property portfolio and undertook a review of the value of its



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leasehold property. After disposals during the year, this indicated an increase in value across all properties of £0.3 m.

As a result of all of the above, a net £1.5m was added to the Group's reserves at the year end.

EBITDA<sup>5</sup> (before exceptional items) was £2m (2016-17 £1.3m).

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 fundraising 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 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.

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<sup>5</sup> EBITDA – earnings before interest, tax, depreciation and amortization. This measures the company's operating performance.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

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 Support**



**investor**

In February, 2018, Thera launched its third charity bond. Supported by Triodos Bank and Michelmores solicitors, by 31 March, we had raised £2.5m offering 5.5% per annum over 6 years. After the year end, a further £2.5m was raised and the bond offer closed on 27 April, 2018.

Again after the year end, on 28 April, £1m was used to repay investors in our first bond issue from 2015. Whilst this first bond has now been redeemed, the original bond programme remains listed on The Luxembourg Stock Exchange.

Both this new bond, and our second (5 year) bond, also arranged by Triodos Bank, are subject to performance covenants 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.

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

In particular, we are grateful to Rathbone (Unit Trust Management), Rathbone Greenbank, Bridge House Estates, CAF Venturesome, Treebeard Trust, Big Society Capital and Tuixen Foundation for their invaluable continued support.

Details of the use of these funds continues to be outlined in our Social Impact Report.

The agreement with Cheyne Capital reached in December for a further £12.5 m of funding brings to a total £27.5 m of funding made available from their Social Impact Property Fund. The additional funds are expected to be deployed by the end of 2020 and along with the newly raised bond funds, will continue to provide substantial opportunity for Forward Housing to make property available to individuals supported by other Thera companies with a consequent impact on turnover and trading surplus. The effects of this agreement can clearly be seen in increased Group turnover.

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



money

#### **Reserves**

The trading results for 2017-18 had a positive impact on the Group's reserves. Net assets at 31 March, 2018 were £10.6m (31 March, 2017- £9.1m).

Thera's reserves were made up as follows:

	£,000
Unrestricted Reserves (incl. Re-Valuation Reserve)	10,394
Designated Reserves	21
Restricted Reserves	172
Total Reserves at 31 March, 2018	10,587

At the year end, net current assets were £6.9m (31 March, 2017- £3.6m) reflecting both the positive trading performance during the year and the newly raised bond funds. This includes £181k of current liabilities on The Camden Society's balance sheet (31 March, 2017- £297k).

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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### **Cash and Working Capital**



cash

Cash generated from the Group's operating activities was £0.9m. As well as £2.5m bond funds raised by the year end, sales of properties generated a further £1.2m. Overall cash increased over the year by £4.1m (2016-17 decrease of £0.9m).

After the year end, a further £2.5m of bond funds had been raised by the time the bond issue closed at the end of April.

As planned, and after the year end, recognising substantial cash balances now held, Thera Trust's trustees reviewed Thera's Treasury Management Policy. The policy allows only ethical investment of cash balances in money market deposits, UK commercial paper or bonds or sterling certificates of deposit.

### **Thera Uses its Money Well**



well

#### *Reserves Policy*

Thera's Reserves Policy is for the Group's overall reserves to be neither too big nor too small and to be sufficient to meet the needs both of the whole Group and of individual companies within it. Thera's Reserves 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

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES**

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in the sector, trustees reviewed the policy and determined specifically to increase reserves of cash on an ongoing basis. This overall level of reserves is equivalent to between two and three months' Group turnover. However, it provides, along with increased net current assets, substantially greater levels of cover for individual component parts of the Group. Thera Trust's charitable free reserves were £6.2m at the year-end (31 March, 2017 £5.2m)

This policy will therefore allow Thera to:

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

Several smaller companies have a negative balance sheet. These have arisen in general as those companies start supporting people in a new area of work for the Group. It is expected that those companies will support more people in the future allowing any balance sheet deficit to be eliminated. Alternatively, Thera Trust will support financially those entities which provide necessarily loss-making services to its beneficiaries.

# THERA TRUST

## REPORT OF THE DIRECTORS AND TRUSTEES

### (INCLUDING STRATEGIC REPORT)

year ended 31 March 2018

#### *Financial Covenants*



finance

Thera has an obligation to perform positively against three key financial covenants and the following table demonstrates that in the year to 31 March, 2018 we achieved this. Further details can be found on our website.

	Target	Performance
Net Asset Cover	130%	240%
Interest Cover (EBITDA)	250%	589%
Interest Cover (EBITDA)	300%	828%

#### *Social Investment Policy*



investment

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
- ✓ 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 and charitable subsidiary companies with

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

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working capital as necessary in line with funding agreements within the Group and in line with this policy.

Specifically Thera Trust made three social investment grants to The Quality Company and Dosh, recognising their activities are specifically to advance Thera's charitable objectives, and to Thera East Anglia in support of the establishment of their supported employment project.

#### **Pensions Liability**



pension

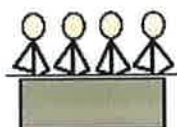
Pension liabilities are included on the balance sheet where required, reflecting planned deficit reduction plans, primarily into the Social Housing Pension Scheme ("SHPS"). There have been substantial withdrawal of benefits from the Scheme by employees during the year. As a result, and with bond yields increasing, we expect debt on withdrawal and deficit payments to reduce at the next scheme valuation in 2020.



# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



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 direction and performance of the organisation and one of whom has a learning disability. This structure serves our philosophy. It 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. 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.

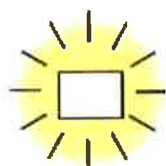
In addition, but less importantly, we recognise that the equal team has now effectively become an integral part of Thera's brand.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES**

### **(INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



**new**

#### **New Thera Directors**

Bill Carter, Thera's Chairman, has indicated that he intends to step down after more than 9 years as chairman, 14 years as a Thera Trust trustee and having been associated with Thera more generally since its inception 20 years ago. He will be a hard act to follow! Nevertheless, we will be seeking to recruit a new Chairman to lead Thera's board in the next phase of the organisation's development.

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 2017-18, we've been delighted to welcome 15 voluntary non-executive directors, who broaden and increase the wide range of skills on our company boards.

The Chairmen from Thera's companies continue to meet every six months to share news and ideas about good governance, board development and organisational strategy. This forum continues to be invaluable for developing the maturity and communications of an increasingly complex group and as a support network for individual chairmen.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



### **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 directors and trustees are subject to references and 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 directors must each include at least one person with a learning disability.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

We were pleased to welcome Jill Parker as a non-executive trustee in January, 2018. As part of good governance we are actively looking to recruit new trustees to the board as part of a process of natural change and we expect to see some further changes in trustees later in 2018-19.

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 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

**THERA TRUST**  
**REPORT OF THE DIRECTORS AND TRUSTEES**  
**(INCLUDING STRATEGIC REPORT)**  
**year ended 31 March 2018**

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 an eleventh 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.

Further information on pension schemes across the Group can be found in notes **1(t) and 24** to the accounts.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2018**



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 re-appointment of Sayer Vincent as the Group's auditors for the 2017-18 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 fundraising. Both Aspire Living and The Camden Society each also draw on a variety of people to help with their local fundraising activities.

During the year, Thera as a whole received over £0.8m (2016-17 £0.7m) in grants, donations and gifts-in-kind which is targeted both at specific projects and in general support of our charitable objectives. This is a pleasing 10x return on costs of £82k (2016-17, 7x).

Recruitment of a new Head of Fundraising and Communications is still pending. A series of workshops was held in late 2017 from which we have developed a new fundraising strategy. Building the

**THERA TRUST**  
**REPORT OF THE DIRECTORS AND TRUSTEES**  
**(INCLUDING STRATEGIC REPORT)**  
**year ended 31 March 2018**

organisation's profile further as a large and successful charity, this will focus primarily on grants, donations and legacy funding.



talk

**Voluntary Directors Talk with Thera's Staff**

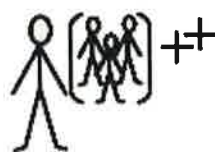
Thera has an established Employee Consultative Council structure in most companies across the Group. Employee Consultative Councils in those Thera companies are chaired by a voluntary director and consider a range of matters relating to Thera's staff. This includes sharing important information about 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.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



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's founding aim was to be "an organisation directly controlled by people with a learning disability". All the main operating companies in the Group now have an active company membership comprising people with a learning disability, families/carers and members of staff.

At 31 March, 2018, there were 104 company members of various companies across the Group. A number of companies are actively engaged in increasing the number of their company members better to ensure control by, and involvement of, the people that they support.



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.



# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

Other related party transactions are detailed in Note 10 to the accounts. Internal management charges have been reviewed consequent upon the developing structure of the Group and newly incorporated companies.



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:

- ✓ smaller companies in the Group continuing to make a loss as a result of supporting too few people
- ✓ continued challenges in public sector funding alongside labour market cost inflation
- ✓ not meeting financial covenants
- ✓ 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

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES**

### **(INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

- ✓ litigation risk especially in relation to developments in employment law
- ✓ changes in legislation and investment performance related to pensions.

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.

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

**THERA TRUST**  
**REPORT OF THE DIRECTORS AND TRUSTEES**  
**(INCLUDING STRATEGIC REPORT)**  
**year ended 31 March 2018**

approach to risk management and trustees/directors review current and significant risks at each of their meetings.

The recent Court of Appeal judgement, delivered after the year end, in the case of Mencap and Tomlinson-Blake clarifies the law in relation to the National Living Wage ("NLW"), mitigating liability and employment risks to Thera.

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.

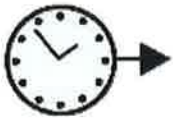
Thera Trust's Health and Safety Committee and those of subsidiary companies provide the formal mechanism for Thera jointly with staff safety representatives to fulfil their obligations under health and safety legislation and in line with their Health and Safety Policy.

Karen Boyce-Dawson, Director of Operations, is the Lead Director for Health and Safety within the Group and, on behalf of Thera Trust, she also takes the lead in ensuring that the Group meets its corporate body responsibilities under CQC regulations. Managing Directors in subsidiary companies are the nominated individuals under CQC Regulations.

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**



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.

The last five years have seen a range of complex organisational developments including a number of acquisitions and the raising of corporate finance. There are currently no plans for similar development activity in the year ahead. However, Thera remains open to interest from other organisations who wish to work with us.



money

### *Thera's Money*

Thera's ongoing operations and future growth are expected to see a further gradual increase in turnover and reserves in 2018-19 and future years in line with the Reserves Policy.

The re-structuring of The Camden Society is nevertheless expected to result in material exceptional costs towards the end of 2018-19.

Cash will be invested in line with Thera's reviewed Treasury Management Policy. At the date of this report, Forward Housing had been asked to purchase 4 new properties for a number of beneficiaries and Thera Trust's trustees had agreed a substantive investment in IT infrastructure.

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

One of Thera's investment properties remains surplus to requirements and is expected to be sold during 2018-19.



house

#### *Supporting More People to Find a House*

There will be substantial focus in 2018-19 and beyond 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 continuing to provide existing residential care services or otherwise inappropriate 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)

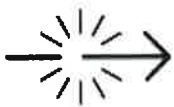
year ended 31 March 2018



employment

### *Employment and Training*

We expect to see the broadening of Thera's activity in this area across the UK, focused on the development of Unity Works Social Enterprises



impact

### *Increasing Our Charitable Impact*

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

- ✓ Continue to support and develop our existing and new leaders with a learning disability.
- ✓ Promote and influence the inclusion of leaders with lived experience of a learning disability in other organisations.
- ✓ Continue to support people in their day-to-day lives to improve their opportunities for greater personal and social wellbeing, with a focus on:
  - enabling better access to health services
  - supporting our teams to work towards NHS England's STOMPwLD initiative (Stop Over-Medicating People with a Learning Disability)
  - improving people's housing environments

## **THERA TRUST**

### **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

- promoting community access and inclusion
- ✓ Continuing to ensure the equality of support to people with complex behavioural needs.
- ✓ Reach more people with a learning disability to improve their financial health and financial control
- ✓ Facilitate access to housing for more people that meets their complex housing needs, including a continued partnership with Cheyne Capital and bond finance
- ✓ Take forward the Dolphins' Den projects in Salisbury and Trowbridge enabling more people to develop their business ideas alongside mentors experienced in their field
- ✓ Continue to support people into employment through the Unity Works programmes. Further development of accredited employment training for people in the Cambridgeshire area and reorganise the way in which we focus on employment and training, to offer employment support in a range of ways, across Thera Group
- ✓ Expand TEN project and Gig Buddies to promote people's social opportunities and development of friendships

# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

- ✓ Offer the opportunity to more people to have focussed circles of support through Equal Futures through the development and support of volunteer facilitators
- ✓ Develop and strengthen our Impact Management approach and practices



vision

### *Challenging the Ambition of Our Vision*

Over the 20 years of Thera's life we have consistently demonstrated the leadership ability of people with a learning disability. Our Vision reflects this ambition. What's next? Over the coming year, we intend to consult with the people we support and our leaders with a learning disability to challenge the ambition of our Vision.



# **THERA TRUST**

## **REPORT OF THE DIRECTORS AND TRUSTEES**

### **(INCLUDING STRATEGIC REPORT)**

**year ended 31 March 2018**

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

## **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 2018**

**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 6 November, 2018 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 2018 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 2018 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
- 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

## **THERA TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST**

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 78.  
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 one resulting from error, as fraud may involve collusion, forgery,

## **THERA TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST**

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.
- 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

## **THERA TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST**

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.



Jonathan Orchard (Senior statutory auditor)

6 December 2018

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**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST**

### **SUMMARY OF MONEY**

**For the year ended 31 March 2018**

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

Money in	67,204,538
What we spent on staff	(55,370,943)
Other money spent	<u>(10,601,126)</u>
What is left over from the year	1,232,469
Revaluation of houses	<u>293,584</u>
	<u>1,526,053</u>

**What Thera Trust has at 31 March 2018: £**

Land, houses and buildings	1,794,921
Equipment	1,085,686
Investment properties	7,118,385
How much cash we have in the bank	4,917,882
What we are owed by others	9,516,609
What we owe to others	<u>(13,846,472)</u>
Net amount Thera Trust has at 31 March 2018	<u>10,587,011</u>

# THERA TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

**for the year ended 31 March 2018**

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
<b>Income from:</b>							
Donations and grants	3	1,078,696	231,371	<b>1,310,067</b>	2,631,370	254,379	2,885,749
Charitable activities							
Supporting people with a learning disability	4	65,038,662	-	<b>65,038,662</b>	61,243,020	-	61,243,020
Rental income	4	847,015	-	<b>847,015</b>	449,606	-	449,606
Investments		8,794	-	<b>8,794</b>	3,587	-	3,587
Other		-	-	-	2,244	7,592	9,836
<b>Total income</b>		<b>66,973,167</b>	<b>231,371</b>	<b>67,204,538</b>	<b>64,329,827</b>	<b>261,971</b>	<b>64,591,798</b>
<b>Expenditure on:</b>							
Charitable activities							
Raising funds	6	82,163	-	<b>82,163</b>	101,422	-	101,422
Supporting people with a learning disability	6	65,374,530	215,346	<b>65,589,876</b>	61,112,144	297,251	61,409,395
Exceptional costs	6	309,030	-	<b>309,030</b>	51,387	-	51,387
<b>Sub total of expenditure</b>		<b>65,765,723</b>	<b>215,346</b>	<b>65,981,069</b>	<b>61,264,953</b>	<b>297,251</b>	<b>61,562,204</b>
Remeasurement (losses) on defined benefit pension schemes	24	(9,000)	-	<b>(9,000)</b>	22,000	-	22,000
<b>Total expenditure</b>		<b>65,756,723</b>	<b>215,346</b>	<b>65,972,069</b>	<b>61,286,953</b>	<b>297,251</b>	<b>61,584,204</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>1,216,444</b>	<b>16,025</b>	<b>1,232,469</b>	<b>3,042,874</b>	<b>(35,280)</b>	<b>3,007,594</b>
Net (losses)/gains on investment properties	14	45,637	-	<b>45,637</b>	(389,364)	-	(389,364)
Net (losses)/gains on fixed assets	13	247,947	-	<b>247,947</b>	-	-	-
<b>Net income / (expenditure) for the year</b>	5	<b>1,510,028</b>	<b>16,025</b>	<b>1,526,053</b>	<b>2,653,510</b>	<b>(35,280)</b>	<b>2,618,230</b>
Transfers between funds	26	660	(660)	-	(1,693)	1,693	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>1,510,688</b>	<b>15,365</b>	<b>1,526,053</b>	<b>2,651,817</b>	<b>(33,587)</b>	<b>2,618,230</b>
<b>Net movement in funds</b>		<b>1,510,688</b>	<b>15,365</b>	<b>1,526,053</b>	<b>2,651,817</b>	<b>(33,587)</b>	<b>2,618,230</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		8,904,782	156,176	<b>9,060,958</b>	6,252,965	189,763	6,442,728
<b>Total funds carried forward</b>	26	<b>10,415,470</b>	<b>171,541</b>	<b>10,587,011</b>	<b>8,904,782</b>	<b>156,176</b>	<b>9,060,958</b>


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 2018**

COMPANY REGISTRATION NUMBER 03593418

		Group		Charity	
	Note	2018 £	2017 £	2018 £	2017 £
<b>Fixed assets:</b>					
Intangible fixed assets	12	436,967	531,843	436,967	531,843
Tangible assets	13	2,443,640	2,341,653	1,141,322	1,126,994
Investment properties	14	7,118,385	7,544,379	-	-
Investments	15	-	-	303,942	303,942
		<b>9,998,992</b>	10,417,875	<b>1,882,231</b>	1,962,779
<b>Current assets:</b>					
Property held for sale	17	-	279,300	-	-
Debtors	18	9,516,609	9,628,069	10,992,029	10,669,231
Cash at bank and in hand		4,917,882	1,269,349	4,067,377	548,087
		<b>14,434,491</b>	11,176,718	<b>15,059,406</b>	11,217,318
<b>Current liabilities:</b>					
Creditors falling due within one year	20	(7,510,055)	(7,541,132)	(3,445,887)	(2,866,661)
		<b>6,924,436</b>	3,635,586	<b>11,613,519</b>	8,350,657
<b>Net current assets</b>		<b>16,923,428</b>	14,053,461	<b>13,495,750</b>	10,313,436
<b>Total assets less current liabilities</b>					
<b>Long term liabilities:</b>					
Creditors falling due after one year	23	(6,336,417)	(4,992,503)	(7,179,198)	(5,084,867)
		<b>10,587,011</b>	9,060,958	<b>6,316,552</b>	5,228,569
<b>Total net assets</b>					
<b>Funds:</b>					
Restricted income funds	26	171,541	156,176	74,600	48,575
Unrestricted income funds:					
Designated funds		21,474	9,967	19,667	9,667
Revaluation reserve		849,455	667,015	27,867	-
General funds		9,544,541	8,227,800	6,194,418	5,170,327
		<b>10,415,470</b>	8,904,782	<b>6,241,952</b>	5,179,994
<b>Total unrestricted funds</b>		<b>10,587,011</b>	9,060,958	<b>6,316,552</b>	5,228,569
<b>Total funds</b>					

Approved by the trustees on 6 November, 2018 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 2018**

	Note	2018	2017
		£	£
<b>Net cash provided by / (used in) operating activities</b>	27	<b>918,012</b>	<b>512,748</b>
<b>Cash flows from investing activities:</b>			
Proceeds from the sale of fixed assets		285,021	-
Proceeds from sale of investment properties		865,852	515,035
Purchase of fixed assets		(271,332)	(364,145)
Interest received		8,794	3,587
Purchase of investments		-	(287,075)
Payments to acquire investment properties		2,932	(514,915)
		<b>891,267</b>	<b>(647,513)</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(422,378)	(531,648)
Receipts from issue of new bonds		2,545,500	-
Receipts from issue of new loans		329,454	-
Receipts from new finance lease contracts		78,000	48,499
Repayments of obligations under a finance lease		(20,178)	(23,887)
Interest paid		(209,904)	(235,048)
<b>Net cash provided by / (used in) financing activities</b>		<b>2,300,494</b>	<b>(742,084)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>4,109,773</b>	<b>(876,849)</b>
Cash and cash equivalents at the beginning of the year		297,724	1,174,573
<b>Cash and cash equivalents at the end of the year</b>	28	<b>4,407,497</b>	<b>297,724</b>



**THERA TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**1 Accounting policies**

**a) Statutory information**

Thera Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom (England and Wales). The registered office address is 134, Edmund Street, Birmingham, B3 2ES. The operating address is The West House, Alpha Court, Swingbridge Road, Grantham, NG31 7XT. In the event of the charitable 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 ("the group") 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 of the charitable company ("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 and individuals, to provide support to people with a learning disability, along with grants, donations, recharges and rental income.

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 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, support and services comprise income receivable from health authorities and social services departments under contracts for the supply of care, support and services, fees receivable from individuals for domiciliary or residential care and other services to people with a learning disability.

As work is undertaken on a contractual basis and 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 2018

### 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 or other deposit taker.

#### 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 or the trustees of its charitable subsidiaries.

##### *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 or the trustees of its charitable subsidiaries 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 or the trustees of its charitable subsidiaries 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:

- 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.

#### j) Operating leases

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

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 1 Accounting policies (continued)

#### 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          |

Where fixed assets have been revalued, any excess between the revalued amount and the historic depreciated cost of the asset will be shown as a revaluation reserve in the balance sheet.

#### m) Investment properties

Investment properties are included at fair value. Any gain or loss on sale or revaluation is taken to the Statement of Financial Activities. Realised gains and losses are calculated as the difference between sales proceeds and original cost. Unrealised gains and losses of the year are calculated as the difference between the fair value at the year end and the opening fair value or purchase date if later. No depreciation is charged on investment properties in accordance with the Charities SORP.

#### Investments in subsidiaries

Investments in subsidiaries are at cost.

#### n) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount pre-paid.

#### o) Leasing and hire purchase commitments

Rentals payable under leases or hire purchase agreements 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 2018**

### **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.

The bonds issued by the charitable company included within creditors are basic financial instruments and are initially measured at the transaction value and subsequently at redemption value. The interest payable is charged as a financing cost to the statement of Financial Activities on the date it is due for payment. The transaction costs in respect of setting up each bond are included within the balance sheet as a net adjustment to the liability and then spread over the life of the bond (after the bond is formally closed) and charged as a financing cost to the statement of financial activities.

#### **t) Pensions**

##### **Defined benefit multi-employer schemes**

Thera East Midlands participates in the Nottinghamshire County Council Local Government Pension Scheme, Aspire Living participates in the Herefordshire County Council's 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 these schemes are set by a qualified Actuary.

Thera Trust participates in The Pensions Trust Social Housing Pension Scheme (DB) and 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 Pension scheme are set by the Government Actuary.

##### **Defined contribution schemes**

Some of the Group's 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 SW 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 Trust and Aspire Living participate in The Pensions Trust Social Housing Pension Scheme (DC) and contributions are charged against net income in the period in which they are payable. 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.

Aspire Living participates in a Group Personal Pension Plan administered by Clerical Medical. 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 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 and Ansar projects participate in the Pensions Trust Flexible Retirement plan. The plan is a defined contribution scheme and the pension charge represents the amount payable by each 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.

# **THERA TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

### **t) Pensions (continued)**

#### **Defined benefit multi-employer schemes (continued)**

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 and the pension scheme charge represents the amount payable by each company to the scheme in respect of the period.

### **u) Parent charity and financial support**

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

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

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

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

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

#### **Group financial support**

The Trustees have 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 of these subsidiaries to confirm that management can prepare the accounts on a going concern basis.

#### **Leases**

Management 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 - owned**

Investment properties owned by Forward Housing SW, The Camden Society and Aspire Living Limited are valued based either upon vacant market possession, where appropriate, or upon the then current and future rental yields on properties where a lease to a Registered Housing Provider is currently in place.

#### **Recognition of leased investment properties at donated value**

By way of a Framework Agreement, ("the 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 31 March, 2017, Forward Housing had control, by way of a 20 year renewable lease, over a portfolio of 46 properties with the right to purchase at the end of the lease. These were sub-leased to Empower Housing Association, a Registered Housing Provider, who granted assured tenancies in the properties to people with a learning disability.

**THERA TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

**Recognition of leased investment properties at donated value (continued)**

The Trustees have reviewed the accounting treatment of this portfolio and have decided to recognise an asset on the balance sheet. The asset represents the economic benefit inherent in the sub-leases measured at fair value by the trustees on the basis of the net present value of future cashflows. The trustees 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 the 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 value of these properties, and the asset has therefore been recognised by way of a gift in the statement of financial activities in the year.

**Impairment of other assets**

Management 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 2018**

### 3 Income from donations and grants

	Unrestricted £	Restricted £	2018 Total £	2017 Total £
Donations	14,710	18,842	33,552	40,156
Grants:				
The Big Lottery Fund and the EU social fund	-	32,098	32,098	21,325
Leicester County Council	-	1,022	1,022	222
Scottish Government	-	64,000	64,000	22,000
Scottish Government Pilot Project/TEN Project	-	27,485	27,485	122,415
The Big Lottery Fund	106,949	-	106,949	-
Other	450,737	87,924	538,661	469,621
	572,396	231,371	803,767	675,739
Leased investment properties at donated value	506,300	-	506,300	2,210,010
	1,078,696	231,371	1,310,067	2,885,749

### 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 £847,015 (2017 - £449,606)

	2018 Total £	2017 Total £
East Anglia	10,090,806	9,415,430
East	12,269,441	11,994,464
East Midlands	10,295,597	10,542,598
West	5,862,842	4,358,783
South Midlands	7,446,976	4,664,929
South West	6,634,813	5,411,539
North	4,787,991	4,408,360
Scotland	2,967,312	2,379,232
London	4,282,111	8,043,022
Other	400,773	24,663
<b>Supporting people with a learning disability</b>	<b>65,038,662</b>	<b>61,243,020</b>
Rental income	847,015	449,606
<b>Income from charitable activities</b>	<b>65,885,677</b>	<b>61,692,626</b>



# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**for the year ended 31 March 2018**

### 5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2018 £	2017 £
Operating lease rentals:		
- motor vehicles	314,895	338,519
- land and buildings	334,958	305,769
External auditors remuneration (excluding VAT):		
Current auditors:		
Audit	118,500	105,000
Other services	22,500	5,000
Audit- In respect of the prior year	48,000	-
Other services - In respect of the prior year	47,662	-
Former auditors:		
In respect of the prior year	-	126,258
Other services	-	7,650
Internal auditors remuneration (excluding VAT)	36,959	3,570
Depreciation of owned assets	407,942	531,797
Amortisation of goodwill	94,874	88,692
(Surplus)/Losses on disposal:		
Fixed Assets	8,800	(39,035)
Property held for sale	(5,171)	-
Investment properties	109,148	6,343

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 6 Total expenditure

#### The group

	Unrestricted £	Designated £	Restricted £	2018 £	2017 £
<b>Raising funds</b>					
Fundraising and publicity	82,163	-	-	<b>82,163</b>	101,422
	<b>82,163</b>	-	-	<b>82,163</b>	101,422

	Unrestricted £	Designated £	Restricted £	2018 £	2017 £
<b>Direct costs of supporting individuals</b>					
Staff and agency costs	51,090,332	-	-	<b>51,090,332</b>	48,056,943
Property costs	1,831,345	-	-	<b>1,831,345</b>	1,517,214
Other direct costs	3,105,859	-	215,346	<b>3,321,205</b>	2,162,425
Support costs (below)	8,901,476	-	-	<b>8,901,476</b>	9,315,632
Governance costs (below)	445,518	-	-	<b>445,518</b>	357,181
	<b>65,374,530</b>	-	215,346	<b>65,589,876</b>	61,409,395

	Unrestricted £	Designated £	Restricted £	2018 £	2017 £
<b>Support costs</b>					
Staff and agency costs	4,836,858	-	-	<b>4,836,858</b>	3,933,011
Property costs	658,043	-	-	<b>658,043</b>	642,419
Depreciation, amortisation	502,816	-	-	<b>502,816</b>	622,364
Other support costs	2,903,759	-	-	<b>2,903,759</b>	4,117,838
	<b>8,901,476</b>	-	-	<b>8,901,476</b>	9,315,632

	Unrestricted £	Designated £	Restricted £	2018 £	2017 £
<b>Governance</b>					
Staff costs	54,813	-	-	<b>54,813</b>	17,823
Legal and professional	384,112	-	-	<b>384,112</b>	335,683
Other	6,593	-	-	<b>6,593</b>	3,675
	<b>445,518</b>	-	-	<b>445,518</b>	357,181

Exceptional costs of £309,030 have been incurred in 2018, £246,082 (2017 - £51,387) for employment costs in relation to restructuring and £62,948 (2017 - nil) for a non-recurring VAT charge in respect of the Camden Society's social enterprise activities.

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 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 £	2018 Total £	2017 Total £
Mrs K Boyce-Dawson	100,000	11,661	15,000	<b>126,661</b>	126,119
Mr S Conway	112,576	9,526	11,801	<b>133,903</b>	135,199
Ms J Garrigan	103,718	7,010	11,800	<b>122,528</b>	128,778
Mr M Smith	40,527	4,738	1,216	<b>46,481</b>	47,645
	<b>356,821</b>	<b>32,935</b>	<b>39,817</b>	<b>429,573</b>	<b>437,741</b>

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 and the level of expenses. The Executive directors are considered to be the key management personnel of the charity.

During the period retirement benefits were accruing to 4 (2017 - 4) Directors in respect of a defined contribution scheme.

During the period 10 Trustees (2017 - 7) received reimbursed expenses relating to travel and accommodation amounting to £37,663 (2017 - £36,373). These expenses relate to attendance at meetings of the trustees, at meetings of trustees or directors of subsidiary companies and in relation to other management activities. These amounts include the above expenses shown as payable to the Executive Directors.

The highest paid director received remuneration of £112,576 (2017 - £111,823) (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 £11,801 (2017 - £11,800).

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

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

Staff costs were as follows:

	2018 £	2017 £
Salaries and wages	50,467,398	46,492,342
Redundancy and termination costs	205,143	22,257
Social security costs	3,755,948	3,349,751
Employer's contribution to defined contribution pension schemes	475,121	507,915
Employer's contribution to defined benefit pension schemes	467,333	399,547
	<hr/>	<hr/>
Sub-total	55,370,943	50,771,812
	<hr/>	<hr/>
Decrease in employer's pension deficit liability	(9,000)	22,000
	<hr/>	<hr/>
	55,361,943	50,793,812
	<hr/>	<hr/>

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

	2018 No.	2017 No.
£60,000 - £69,999	8	9
£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 for the Charity were £440,199 (2017 - £448,286).

### 9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 3,143 (2017 - 2,919).

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

	2018 No.	2017 No.
Direct and relief support work	3,062	2,731
Management and administration	81	188
	<hr/>	<hr/>
	3,143	2,919
	<hr/>	<hr/>

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 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 Group's 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:

	2018 £	2017 £
Management charges from Thera Trust to subsidiary undertakings	7,137,000	4,860,440
Donations under gift aid from subsidiary undertakings to Thera Trust	1,072,217	2,060,236
Social investment grants from Thera Trust to Dosh, The Quality Company and Thera East Anglia	205,000	160,000

#### Transactions with directors

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 £20,925 (2017 - £18,719).

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

### 11 Taxation

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

**THERA TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**12 Intangible fixed assets**

**The group**

	Goodwill £	Total £
<b>Cost</b>		
At the start of the year	653,868	653,868
Additions in year	-	-
	<hr/> 653,868	<hr/> 653,868
<b>At the end of the year</b>		
<b>Amortisation</b>		
At the start of the year	122,025	122,025
Charge for the year	94,876	94,876
	<hr/> 216,901	<hr/> 216,901
<b>At the end of the year</b>		
<b>Net book value</b>		
<b>At the end of the year</b>	<hr/> 436,967	<hr/> 436,967
<b>At the start of the year</b>	<hr/> 531,843	<hr/> 531,843

**The charity**

	Goodwill £	Total £
<b>Cost</b>		
At the start of the year	613,868	613,868
	<hr/> 613,868	<hr/> 613,868
<b>At the end of the year</b>		
<b>Amortisation</b>		
At the start of the year	82,025	82,025
Charge for the year	94,876	94,876
	<hr/> 176,901	<hr/> 176,901
<b>At the end of the year</b>		
<b>Net book value</b>		
<b>At the end of the year</b>	<hr/> 436,967	<hr/> 436,967
<b>At the start of the year</b>	<hr/> 531,843	<hr/> 531,843

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 13 Tangible fixed assets

The group	Leasehold property and improvements £	Freehold land and property £	Fixtures and fittings and equipment £	Total £
<b>Cost</b>				
At the start of the year	745,671	1,639,651	2,585,478	4,970,800
Additions in year	1,592		269,740	271,332
Revaluation		(289,651)	-	(289,651)
Disposals in year	-	-	(38,973)	(38,973)
At the end of the year	747,263	1,350,000	2,816,245	4,913,508
<b>Depreciation</b>				
At the start of the year	263,395	488,672	1,877,080	2,629,147
Charge for the year	38,947	48,926	320,069	407,942
Eliminated on disposal	-	-	(29,623)	(29,623)
Eliminated on revaluation	-	(537,598)		(537,598)
At the end of the year	302,342	-	2,167,526	2,469,868
<b>Net book value</b>				
At the end of the year	444,921	1,350,000	648,719	2,443,640
At the start of the year	482,276	1,150,979	708,398	2,341,653
<b>The charity</b>				
		Freehold land and property £	Fixtures and fittings and equipment £	Total £
<b>Cost</b>				
At the start of the year		1,064,651	2,082,888	3,147,539
Additions in year		-	251,279	251,279
Revaluation		(464,651)	-	(464,651)
At the end of the year		600,000	2,334,167	2,934,167
<b>Depreciation</b>				
At the start of the year		454,632	1,565,913	2,020,545
Charge for the year		37,886	226,932	264,818
Eliminated on revaluation		(492,518)	-	(492,518)
At the end of the year		-	1,792,845	1,792,845
<b>At the end of the year</b>		600,000	541,322	1,141,322
At the start of the year		610,019	516,975	1,126,994

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

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

	Freehold land and property £	Total £	2017 £
Cost	1,639,651	1,639,651	1,639,651
Accumulated	(537,598)	(537,598)	(488,672)
At the end of the year	1,102,053	1,102,053	1,150,979

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 14 Investment properties

	Owne £	Lease £	Group 2018 £	2017 £	Charity 2018 £	2017 £
Fair value at the start of the year	5,334,369	2,210,010	7,544,379	5,730,196	-	-
Additions including donations	(2,931)	506,300	503,369	2,724,925	-	-
Disposals	(975,000)	-	(975,000)	(521,378)	-	-
Revaluation during the year	(339,438)	385,075	45,637	(389,364)	-	-
Fair value at the end of the year	4,017,000	3,101,385	7,118,385	7,544,379	-	-

The trustees have obtained a valuation from Jones Laing LaSalle ("JLL") Residential Advisory Team, in accordance with the RICS Valuation Professional Standards July 2017 Global and UK Edition of the properties that it owns. This valuation is at market value as at 31 March, 2018. The valuation is based either upon vacant market possession, where appropriate, or upon the then current and future rental yields on properties where a lease to a Registered Housing Provider is currently in place, assuming good and marketable title free from onerous or unusual restrictions, covenants or encumbrances not covered by appropriate insurances, long term CPI of 2% and leases, where in place, formally registered with HM Land Registry.

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. One property was being marketed for sale at the year end.

### 15 Investments

#### Controlled subsidiary undertakings

The parent charitable company controlled the following companies and charitable companies:

Company	Country of registration or incorporation		Company Registration	Charity Number
Tera East Anglia	England and Wales	Limited by guarantee	05566295	
Tera East	England and Wales	Limited by guarantee	06795987	
Tera East Midlands	England and Wales	Limited by guarantee	05566293	
Tera North	England and Wales	Limited by guarantee	05343088	
Tera South Midlands	England and Wales	Limited by guarantee	08667106	
Tera (Scotland)	Scotland	Limited by guarantee	SC 322014	
Tera South West	England and Wales	Limited by guarantee	06797328	
Dosh Limited	England and Wales	Limited by guarantee	06337548	
The Quality Company Limited	England and Wales	100% ordinary share capital	06319351	
Forward Housing SW	England and Wales	Limited by guarantee	03821702	1078391
The Camden Society	England and Wales	Limited by guarantee	03023588	1044693
Equal Futures	Scotland	Limited by guarantee	SC 238588	SC 033799
Aspire Living Limited	England and Wales	Limited by guarantee	02720295	1024904



# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**for the year ended 31 March 2018**

Ansar Projects Limited	England and Wales	Limited company	07191526
Tera Limited *	England and Wales	Limited by guarantee	04999446
Tera West *	England and Wales	Limited by guarantee	05852926
Uemploy Limited *	England and Wales	Limited by guarantee	08114936
Tera East Anglia Trading Limited *	England and Wales	Limited by guarantee	10695759
Tera East Trading Limited *	England and Wales	Limited by guarantee	10695595
Tera East Midlands Trading Limited	England and Wales	Limited by guarantee	10695501
Tera North Trading Limited *	England and Wales	Limited by guarantee	10695651
Tera South Midlands Trading Limited *	England and Wales	Limited by guarantee	10695744
Tera South West Trading Limited *	England and Wales	Limited by guarantee	10695690
Tera (Scotland) Trading Limited *	Scotland	Limited by guarantee	SC 561756
The Camden Society Trading Limited *	England and Wales	Limited by guarantee	10695786
Aspire Living Trading Limited *	England and Wales	Limited by guarantee	10695243
Ansar Projects Trading Limited *	England and Wales	Limited by guarantee	10695377

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

The registered office address for the majority of Tera companies including dormant and trading companies is 134, Edmund Street, Birmingham, B3 2ES, the exceptions being:

- The Camden Society - 60 Holmes, Road, London, NW5 3AQ
- Equal Futures - Hayweight house, Lauriston Street, Edinburgh, Scotland, EH3 9DQ
- Aspire Living - Suite 4, Penn House, 9-10 Broad Street, Hereford, Herefordshire, HR4 9AP
- Tera Scotland and Tera (Scotland) Trading - Melrose House, 69a George Street, Edinburgh, EH2 2JG

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 2018

### 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. The figures are gross, before any consolidation adjustment. Any group entity not shown in the tables had no income, expenditure, assets or liabilities to report:

	Income £	Expenditure £	(Deficit) / surplus for the year £	Gift Aid and other transfers £
Tera East Anglia	10,163,111	(9,897,835)	265,276	(265,276)
Tera East	12,310,387	(11,825,864)	484,523	(484,523)
Tera East Midlands	10,319,937	(10,182,462)	137,475	(137,474)
Tera East Midlands Trading	4,992,409	(4,992,409)	-	-
Tera North	3,176,108	(3,286,659)	(110,551)	-
Tera South Midlands	2,303,626	(2,405,257)	(101,631)	-
Tera (Scotland)	2,967,312	(3,033,064)	(65,752)	-
Tera South West	6,643,981	(6,448,757)	195,224	(120,880)
Dosh Limited	530,482	(589,636)	(59,154)	-
The Quality Company Limited	237,180	(173,116)	64,064	(64,064)
Forward Housing SW	1,500,389	(1,407,612)	92,777	-
The Camden Society	10,021,200	(9,961,010)	60,190	-
Equal Futures	104,784	(106,010)	(1,226)	-
Aspire Living Limited	5,888,930	(5,676,203)	212,727	-
Ansar Projects Limited	1,617,166	(1,651,901)	(34,735)	-

	Assets £	Liabilities £	Capitals and reserves £
Tera East Anglia	783,600	(783,600)	-
Tera East	1,497,745	(1,497,745)	-
Tera East Midlands	690,551	(690,551)	-
Tera East Midlands Trading	374,153	(374,153)	-
Tera North	260,042	(722,924)	(462,882)
Tera West	161,406	-	161,406
Tera South Midlands	473,018	(1,035,795)	(562,777)
Tera (Scotland)	569,244	(1,443,026)	(873,782)
Tera South West	2,211,072	(2,211,072)	-
Dosh Limited	212,708	(942,176)	(729,468)
The Quality Company Limited	10,697	(10,697)	-
Forward Housing SW	7,049,785	(2,492,316)	4,557,469
Uemploy Limited	-	(105,887)	(105,887)
The Camden Society	1,748,137	(1,319,864)	428,273
Equal Futures	49,713	(8,044)	41,669
Aspire Living Limited	2,419,478	(305,954)	2,113,524
Ansar Projects Limited	713,412	(706,556)	6,856

### Joint Venture

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

Dartmoor Care Consortium Limited acted 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.

There is no cost of investment to Tera South West as DCCL was a company limited by guarantee. It was incorporated in England and Wales. The most recent set of financial statements available for DCCL is for the year ended 31 March, 2017 and the venture was dissolved in April, 2018.

**THERA TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2018**

**16 Parent charity**

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

	2018 £	2017 £
Gross income	8,538,712	7,423,944
Total expenditure on charitable activities	(6,719,561)	(5,985,866)
Costs of generating funds	(304,517)	(294,450)
Governance costs	(445,518)	(357,181)
Remeasurement loss on define benefit pension scheme	(9,000)	22,000
Net gain on fixed assets	27,867	-
<b>Net income</b>	<b>1,087,983</b>	<b>808,447</b>
Total funds brought forward	5,228,569	4,420,122
<b>Total funds</b>	<b>6,316,552</b>	<b>5,228,569</b>

Gross incoming resources are inclusive of donations made under gift aid of £1,072,217 (2017 - £2,060,236) from its subsidiaries, as detailed in note 15.

**17 Property held for sale**

	Property held for sale £	Total £
<b>Cost</b>		
At the start of the year	285,000	285,000
Disposal	(285,000)	(285,000)
At the end of the year	-	-
<b>Depreciation</b>		
At the start of the year	5,700	5,700
Eliminated on disposal	(5,700)	(5,700)
At the end of the year	-	-
<b>Net book value</b>		
At the end of the year	-	-
At the start of the year	279,300	279,300

**18 Debtors**

	Group 2018 £	2017 £	Charity 2018 £	2017 £
<b>Due after more than one year</b>				
Amounts owed from group undertakings	-	-	10,521,553	9,530,048
<b>Due within one year</b>				
Operational debtors	4,255,425	4,756,943	81,973	9,618
Other debtors	597,504	594,002	11,003	57,672
Prepayments and accrued income	4,663,680	4,277,124	377,500	1,071,893
	<b>9,516,609</b>	<b>9,628,069</b>	<b>10,992,029</b>	<b>10,669,231</b>

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 20 and 23 below.

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 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 £210,863 (2017 - £25,263) and in individual client accounts amounting to £7,771,348 (2017 - £6,677,141). These funds have not been included as assets or liabilities of the group.

### 20 Creditors: amounts falling due within one year

	Group 2018 £	2017 £	Charity 2018 £	2017 £
Overdraft and bank loans	768,455	1,093,648	768,455	1,093,648
Other loans	1,001,804	160,217	960,054	-
Amounts due under finance leases	91,808	23,942	91,808	23,942
Operational creditors	849,221	1,332,941	451,030	883,700
Taxation and social security	1,500,578	993,695	467,579	95,173
Other creditors	1,319,966	1,888,191	255,924	335,906
Pension liability	120,692	110,825	120,692	110,825
Accruals and deferred income	1,857,531	1,937,673	330,345	323,467
	<b>7,510,055</b>	<b>7,541,132</b>	<b>3,445,887</b>	<b>2,866,661</b>

### 21 Deferred income

Deferred income comprises payments in advance of services.

	Group 2018 £	2017 £	Charity 2018 £	2017 £
Balance at the beginning of the year	204,087	491,614	31,671	855
Amount released to income in the year	(204,087)	(491,614)	(31,671)	(855)
Amount deferred in the year	283,975	204,087	49,009	31,671
	<b>283,975</b>	<b>204,087</b>	<b>49,009</b>	<b>31,671</b>

### 22 Net current assets

	The Camden Society £	Other £	Group £
Debtors	1,054,822	8,461,787	9,516,609
Cash at bank and in hand	45,048	4,872,834	4,917,882
Creditors: amounts falling due within one year	(1,280,530)	(6,229,525)	(7,510,055)
	<b>(180,660)</b>	<b>7,105,096</b>	<b>6,924,436</b>

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 2018

### 23 Creditors: amounts falling due after one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	1,243,190	1,147,941	1,243,190	1,147,941
Other loans	4,486,834	3,107,142	4,422,194	3,000,000
Amounts due under finance leases	43,975	54,019	43,975	54,019
Pension liability	562,418	683,401	562,418	683,401
Amounts due to group undertakings	-	-	907,421	199,506
	<b>6,336,417</b>	<b>4,992,503</b>	<b>7,179,198</b>	<b>5,084,867</b>

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
<b>Analysis of loans</b>				
Total loans repayable	6,989,898	4,537,323	6,883,508	4,269,963
Included in current liabilities	(1,259,874)	(282,240)	(1,218,124)	(122,023)
	<b>5,730,024</b>	<b>4,255,083</b>	<b>5,665,384</b>	<b>4,147,940</b>

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
<b>Loan maturity analysis</b>				
Within one year	1,259,874	2,292,660	1,218,124	2,072,489
Two - five years	3,130,488	2,147,412	3,074,946	2,100,222
In more than five years	2,599,536	97,251	2,590,438	97,252
	<b>6,989,898</b>	<b>4,537,323</b>	<b>6,883,508</b>	<b>4,269,963</b>

Within bank loans is a Bank of Scotland loan of £0.3m which is secured by a first legal charge over a 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 £1.5m overdraft facility and a £1.15m 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 was payable semi-annually on 28 April and 28 October each year at a fixed rate of 3.5% per annum. The bond was listed on the Luxembourg Stock Exchange and was repaid on 28th 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 5.5% per annum. The bond is repayable on 31 December, 2020.

Thera Trust offered a £5,000,000 six year bond in February, 2018. At the 31 March, 2018 the company had received £2,545,500 with the balance being received in May, 2018. Interest is payable annually on 31 March each year in arrears at a fixed rate of 5.5% per annum. The bond is repayable on 31 March, 2024.

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

# Thera Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 24 Pension schemes

#### Defined benefit multi-employer schemes

##### Local Government Pension Scheme - Nottinghamshire

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

Contributions payable during the period amount to £20,188 (2017 - £19,762). The amount outstanding in respect of employer and employee contributions for this Scheme at the year end was £Nil (2017 - £Nil).

As at the balance sheet date there were 9 (2017 - 9) 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, 2016 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 £4,028 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £621 million, equivalent to a past service funding level of 87%.

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

Thera East Midlands has not been notified by Nottinghamshire County Council of the estimated employer debt on withdrawal from the scheme. 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 ("the 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 £103,604 (2017 - £110,876) As at the balance sheet date there were 24 (2017 - 27) active members of the Scheme employed by the Society. The amount outstanding in respect of this Scheme at the year-end was £10,628 (2017 - £10,849).

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.

##### Local Government Pension Scheme - Herefordshire

Aspire Living Limited participates in the Herefordshire County Council's Local Government Pension Scheme ("the Scheme"). The Scheme is funded as is contracted-out of the State Pension scheme.

The Council has agreed to fund any additional employer pension costs which may be required to address future pension scheme deficits in relation to Aspire's staff.

Contributions payable during the period amount to £79,530 (2017 - £16,121). The amount outstanding in respect of employer and employee contributions for this Scheme at the year-end was £9,571 (2017 - £16,121).

As at the balance sheet date there were 26 (2017 - 10) 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 scheme's 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.

# Thera Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 24 Pension schemes (continued)

#### Defined benefit multi-employer schemes (continued)

##### Local Government Pension Scheme - Herefordshire (continued)

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.

##### NHS Pension Scheme

For some employees, who have previously worked in the NHS, 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 ("the 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 £250,579 (2017 - £273,785). The amount outstanding at 31 March, 2018 was £2,278 (2017 - £26,120).

Past and present employees are covered by the provisions of director agreements under the NHS Pensions Scheme. Details of the benefits payable and rules of the Scheme can be found on the NHS Pensions website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

The Scheme is an unfunded defined benefit scheme that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not designed to be run in a way that would enable participating employers to identify their share of the underlying scheme assets and liabilities. Therefore, each director agreement is accounted for as if it were a defined contribution scheme: the cost to the employer 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 (FRM) 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, 2018, is based on valuation data as at 31 March, 2017, updated to 31 March, 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS19, relevant FRM 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.

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

The most recent actuarial valuation was carried out as at 31 March, 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

# Thera Trust

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 24 Pension schemes (continued)

#### Defined benefit multi-employer schemes (continued)

##### 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 £23,131 (2017 - £25,140). As at the balance sheet date there were 7 (2017 - 8) active members of the Scheme employed by the Society. The amount outstanding in respect of this Scheme at the year-end was £2,458 (2017 - £2,660).

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.

#### Defined contribution schemes

##### The Pensions Trust Ethical Fund

A number of companies in the Group participate 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 £257,962 (2017 - £239,560). The amount outstanding in respect of the Fund at the year end was £6,636 (2017 - £89,310).

##### 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 £30,777 (2017 - £24,485). The amount outstanding in respect of this scheme at the year-end was £6,004 (2017 - £2,408).

##### 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 £24,795 (2017 - £12,194). The amount outstanding in respect of this scheme at the year-end was £nil (2017 - £nil).

##### Social Housing Pension Scheme

Aspire Living Limited participates in The Pension's Trust Social Housing Pension Scheme (TPTSHPS) which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £14,859 (2017 - £8,750). The amount outstanding in respect of this Scheme at the year-end was £2,295 (2016 - £1,208).

Thera Trust participates in the Social Housing Pension Scheme (DB/PC hybrid). 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 £191,851 (2017 - £186,613) which included £110,825 (2017 - £106,574) of past service deficit contributions. At the year end, £2,675 (2017 - £13,439) was outstanding in respect of the Scheme.

As at the balance sheet date there were 101 (2017 - 80) 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.



# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 24 Pension schemes (continued)

#### Defined contribution schemes (continued)

##### Social Housing Pension Scheme (SHPS) (continued)

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 £3,123m, liabilities of £4,446m and a deficit of £1,323m. 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

<b>Tier 1</b>	£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)
<b>Tier 2</b>	£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)
<b>Tier 3</b>	£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)
<b>Tier 4</b>	£31.7 m. per annum
From 1 April 2016 to 30 September 2026:	(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 £3,097m. and a deficit of £1,035m. 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.

##### Present Values of Provision

	31 March 2018	31 March 2017	30 March 2016
	£000	£000	£000
Present value of provision	<b>683</b>	794	862

##### Reconciliation of Opening and Closing Provisions

	Period ending 31 March 2018	Period ending 31 March 2017
	£000	£000
Provision at start of period	<b>794</b>	862
Unwinding of the discount factor (interest expense)	<b>9</b>	17
Deficit contribution paid	<b>(111)</b>	(107)
Remeasurements - impact of any change in assumptions	<b>(9)</b>	22
<b>Provision at the end of the period</b>	<b>683</b>	794

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 24 Pension schemes (continued)

#### Defined contribution schemes (continued)

#### Social Housing Pension Scheme (SHPS) (continued)

##### Income and Expenditure Impact

	Period ending 31 March 2018 £000	Period ending 31 March 2017 £000
Interest expense	9	17
Remeasurements - impact of any change in assumptions	(9)	22

##### Assumptions

	31 March 2018	31 March 2017	30 March 2016
	% per annum	% per annum	% per annum
Rate of discount	1.72	1.33	2.06

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.

The next dividend is expected to be certified in December, 2018.

#### **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 (2017 - £Nil).

On 22 February, 2010, a transfer of contracts and all employees was made from Forward Living, a charitable 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 £40,435 (2017 - £38,454). As at the balance sheet date there were 23 active members of the Scheme employed by the Society (2017 - 23). The scheme was closed to new members from 29 April, 2014. The amount outstanding in respect of this Scheme at the year-end was £5,676 (2017 - £5,661).

#### **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 £45,704 (2017 - £35,720). At the balance sheet date there were 330 (2017 - 242) active members of the scheme. The amount outstanding in respect of this Scheme at the year-end was £6,053 (2017 - £nil).

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**for the year ended 31 March 2018**

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

	General unrestricted £	Revaluation reserve £	Designated funds £	Restricted funds £	Total funds £
Intangible fixed assets	436,967	-	-	-	436,967
Tangible fixed assets	1,594,185	849,455	-	-	2,443,640
Investment properties owned	4,017,000	-	-	-	4,017,000
Investment properties leased	3,101,385	-	-	-	3,101,385
Net current assets	6,731,421	-	21,474	171,541	6,924,436
Long term liabilities	(6,336,417)	-	-	-	(6,336,417)
<b>Net assets at 31 March 2018</b>	<b>9,544,541</b>	<b>849,455</b>	<b>21,474</b>	<b>171,541</b>	<b>10,587,011</b>

### 25b Analysis of group net assets between funds (prior 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 liabilities	3,469,443	-	9,967	156,176	3,635,586
Long term liabilities	(4,992,503)	-	-	-	(4,992,503)
<b>Net assets at 31 March 2017</b>	<b>8,227,800</b>	<b>667,015</b>	<b>9,967</b>	<b>156,176</b>	<b>9,060,958</b>

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 26a Movements in funds (current year)

	At 1 April 2017 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2018 £
<b>Restricted funds:</b>					
Support for MS TE	2,356	-	-	-	2,356
Loughborough sensory room and garden	893	-	-	-	893
Other property-specific projects	22,422	10,030	(1,919)	-	30,533
The Hollies fund	2,663	-	-	-	2,663
L and D generic training	8,914	-	-	-	8,914
Holiday support fund	3,117	460	-	-	3,577
Horse riding, Boston	35	-	-	-	35
National Loan Guarantee Scheme	6,333	-	-	(660)	5,673
Innovation Bursary Safe and Secure	-	1,022	(2,024)	-	(1,002)
Strathmartine Hospital Histories	-	6,951	(6,951)	-	-
Sawston Hydrotherapy Pool	855	1,005	(888)	-	972
Clacton Beach Hut	41	-	2,731	-	2,772
Gig buddies	91	28,024	(23,166)	-	4,949
TEN project	86	13,316	(13,402)	-	-
Building Bridges	-	32,098	(20,480)	-	11,618
Allsorts	568	400	(454)	-	514
Grantham	54	-	-	-	54
Happy Snapper	147	-	(68)	-	79
<b>Total restricted funds</b>	<b>48,575</b>	<b>93,306</b>	<b>(66,621)</b>	<b>(660)</b>	<b>74,600</b>
<b>Unrestricted funds:</b>					
Designated development fund	9,667	-	-	10,000	19,667
<b>Designated funds</b>	<b>9,667</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>19,667</b>
Unrestricted LGS Grant income transfer	41,353	-	-	660	42,013
Pension reserve	(794,226)	-	-	111,116	(683,110)
Revaluation reserve	-	27,867	-	-	27,867
General funds	5,923,200	8,445,406	(7,411,975)	(121,116)	6,835,515
<b>General funds</b>	<b>5,170,327</b>	<b>8,473,273</b>	<b>(7,411,975)</b>	<b>(9,340)</b>	<b>6,222,285</b>
<b>Total unrestricted funds</b>	<b>5,179,994</b>	<b>8,473,273</b>	<b>(7,411,975)</b>	<b>660</b>	<b>6,241,952</b>
<b>Parent charity total funds as at 31 March 2018</b>	<b>5,228,569</b>	<b>8,566,579</b>	<b>(7,478,596)</b>	<b>-</b>	<b>6,316,552</b>

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 26a Movements in funds (current year continued)

	At 1 April 2017 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2018 £
Charity total fund balance carried forward	5,228,569	8,566,579	(7,478,596)	-	6,316,552
<b>Restricted funds:</b>					
Dolphins Den	6	-	-	-	6
Scottish Government	24,279	64,000	(82,066)	-	6,213
Scottish Government (Pilot Project)	-	14,169	(4,306)	-	9,863
Scottish Government - E-Book	7,250	-	(4,922)	-	2,328
Tudor Trust	-	15,000	(10,000)	-	5,000
Kennyhill Bequest	-	3,000	-	-	3,000
Equal Futures Memberships	234	5,596	(4,310)	-	1,520
Circle of Support Fund	154	-	(154)	-	-
John Lyons Pro-Work	-	32,000	(32,000)	-	-
Aspire Community Hub	-	4,300	(4,300)	-	-
Markyes Close	75,678	-	(6,667)	-	69,011
<b>Total restricted funds</b>	<b>107,601</b>	<b>138,065</b>	<b>(148,725)</b>	<b>-</b>	<b>96,941</b>
<b>Unrestricted funds:</b>					
Revaluation reserve	667,015	265,717	-	(111,144)	821,588
Designated funds:					
Circle of Support	-	1,807	-	-	1,807
Fixed Asset Fund	-	-	-	-	-
Meet the Dragons	300	-	(300)	-	-
<b>Total designated funds</b>	<b>667,315</b>	<b>267,524</b>	<b>(300)</b>	<b>(111,144)</b>	<b>823,395</b>
<b>General funds</b>	<b>3,057,473</b>	<b>58,525,954</b>	<b>(58,344,448)</b>	<b>111,144</b>	<b>3,350,123</b>
<b>Total unrestricted funds</b>	<b>3,724,788</b>	<b>58,793,478</b>	<b>(58,344,748)</b>	<b>-</b>	<b>4,173,518</b>
<b>Group total funds as at 31 March 2018</b>	<b>9,060,958</b>	<b>67,498,122</b>	<b>(65,972,069)</b>	<b>-</b>	<b>10,587,011</b>
	At 1 April 2017 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2018 £
<b>Reconciled to:</b>					
Unrestricted funds	8,227,800	66,971,360	(65,756,423)	101,804	9,544,541
Revaluation	667,015	293,584	-	(111,144)	849,455
Designation funds	9,967	1,807	(300)	10,000	21,474
Restricted funds	156,176	231,371	(215,346)	(660)	171,541
<b>Group total funds as at 31 March 2018</b>	<b>9,060,958</b>	<b>67,498,122</b>	<b>(65,972,069)</b>	<b>-</b>	<b>10,587,011</b>

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 2018

### 26b Movements in funds (prior year)

	At 1 April 2016 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2017 £
<b>Restricted funds:</b>					
Support for Ms TE	2,356	-	-	-	2,356
Loughborough sensory room and garden	943	-	(50)	-	893
BLF Boston sensory room	186	-	-	-	186
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 riding, 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
<b>Total restricted funds</b>	<b>145,525</b>	<b>141,034</b>	<b>(168,999)</b>	<b>(68,985)</b>	<b>48,575</b>
<b>Unrestricted funds:</b>					
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
<b>Total designated funds</b>	<b>(827,579)</b>	<b>-</b>	<b>65,074</b>	<b>19,299</b>	<b>(743,206)</b>
<b>General funds</b>	<b>5,102,176</b>	<b>7,292,910</b>	<b>(6,521,572)</b>	<b>49,686</b>	<b>5,923,200</b>
<b>Total unrestricted funds</b>	<b>4,274,597</b>	<b>7,292,910</b>	<b>(6,456,498)</b>	<b>68,985</b>	<b>5,179,994</b>
<b>Charity total funds as at 31 March 2017</b>	<b>4,420,122</b>	<b>7,433,944</b>	<b>(6,625,497)</b>	<b>-</b>	<b>5,228,569</b>

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

### 26b Movements in funds (prior year continued)

	At 1 April 2016 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2017 £
Charity total fund balance carried forward	4,420,122	7,433,944	(6,625,497)	-	5,228,569
<b>Restricted funds:</b>					
Dolphins' Den	5,006	-	-	(5,000)	6
Scottish Government	19,210	-	-	-	19,210
Scottish Government - Book	-	65,000	(59,931)	-	5,069
Scottish Government - E-Book	7,250	-	-	-	7,250
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
<b>Total restricted funds</b>	<b>44,244</b>	<b>120,942</b>	<b>(128,263)</b>	<b>70,678</b>	<b>107,601</b>
<b>Unrestricted funds:</b>					
Revaluation reserve	667,015	-	-	-	667,015
Designated funds:					
Meet the Dragons	4,920	-	(4,620)	-	300
<b>Total designated funds</b>	<b>671,935</b>	<b>-</b>	<b>(4,620)</b>	<b>-</b>	<b>667,315</b>
<b>General funds</b>	<b>1,306,427</b>	<b>57,036,912</b>	<b>(55,215,188)</b>	<b>(70,678)</b>	<b>3,057,473</b>
<b>Total unrestricted funds</b>	<b>1,978,362</b>	<b>57,036,912</b>	<b>(55,219,808)</b>	<b>(70,678)</b>	<b>3,724,788</b>
<b>Group total funds as at 31 March 2017</b>	<b>6,442,728</b>	<b>64,591,798</b>	<b>(61,973,568)</b>	<b>-</b>	<b>9,060,958</b>
	At 1 April 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2017 £
<b>Reconciled to:</b>					
Unrestricted funds	5,578,662	64,329,827	(61,668,997)	(11,692)	8,227,800
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	156,176
<b>Total funds</b>	<b>6,442,728</b>	<b>64,591,798</b>	<b>(61,973,568)</b>	<b>-</b>	<b>9,060,958</b>

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2018

#### 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.

###### *Other property-specific projects*

Various other property-specific projects undertaken.

###### *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.

###### *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.

###### *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.

###### *Strathmartine Hospital Histories*

Funding from The Heritage Lottery Fund for Strathmartine Hospital Histories.

###### *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.

###### *Gig Buddies*

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

###### *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.



# Thera Trust

## Notes to the Financial Statements

for the year ended 31 March 2018

### 26 Movements in funds (continued)

#### Purposes of restricted funds (continued)

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.

#### Scottish Government

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

#### Scottish Government (Pilot Project)

The Scottish Government grant is for the Volunteer Community Connectors project.

#### 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, development and promoting costs associated with the book and the development of an E Book. During the year the Scottish Government gave permission to reallocate the balance of the grant to the project in Glasgow developing circles of support for young people with autism.

#### Tudor Trust

This grant from the Tudor Trust is for developing circles of support for young people with autism in partnership with a carers centre in Glasgow.

#### Kennyhill Bequest

This is allocated specifically to the Glasgow project and is for autism training.

#### 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.

#### John Lyons Pro-Work

Pro Work is based in City of Westminster College and aims to ensure that students attending employability courses for people with a learning disability will have a clear pathway to employment on graduation. It will work with 35 students per year from April 2016 for 3 years.

#### Aspire Community Hub

Funds given to Aspire to enable the running of the Aspire Community Hub for the benefit of its members and the wider community.

#### Markyes Development

Funds given to Aspire Living Ltd to enable the development of Markyes Close residential home from 2 individual bungalows into one home. This was done to aid and benefit the residents of Markyes Close

#### Prior Year

##### 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.

##### Sensory stimulation equipment fund, Lindisfarne

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

**THERA TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2018**

**26 Movements in funds (continued)**

**Purposes of restricted funds (continued)**

***Prior Year (continued)***

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.

***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.

***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.

***Social Enterprise Investment Fund***

Funding received towards information technology equipment.

***Scottish Vocational Qualifications***

The Scottish Government Voluntary Sector Development Fund for staff training.

***Dolphins' Den***

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

**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.

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

	2018 £	2017 £
<b>Net Income / (expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>1,526,053</b>	<b>2,618,230</b>
Depreciation charges and impairment	<b>407,942</b>	594,123
Loss on disposal of investment property	<b>109,148</b>	6,343
Loss on disposal of fixed assets	<b>3,629</b>	
Unrealised (Gains)/losses on investment properties	<b>(45,637)</b>	389,364
Unrealised (Gains)/losses on fixed assets	<b>(247,947)</b>	
Interest receivable	<b>(8,794)</b>	(3,587)
Interest payable	<b>209,904</b>	235,048
Pension interest	<b>8,000</b>	16,800
Amortisation of intangible fixed assets	<b>94,875</b>	88,692
(Increase)/decrease in debtors	<b>111,460</b>	(1,476,005)
Increase/(decrease) in creditors	<b>(744,321)</b>	253,750
Donated properties	<b>(506,300)</b>	(2,210,010)
<b>Net cash provided by / (used in) operating activities</b>	<b>918,012</b>	<b>512,748</b>

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2018

28 Analysis of cash and cash equivalents	At 1 April 2017 £	Cash flows £	Other changes £	At 31 March 2018 £
Cash at bank and in hand	1,269,349	3,648,533	-	4,917,882
Overdraft facility repayable on demand	(971,625)	461,240	-	(510,385)
<b>Total cash and cash equivalents</b>	<b>297,724</b>	<b>4,109,773</b>	<b>-</b>	<b>4,407,497</b>

## 29 Operating lease commitments - payable as a lessee

### Group

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

	Property 2018 £	2017 £	Equipment 2018 £	2017 £
Less than one year	1,161,898	938,360	220,009	281,060
One to five years	4,300,669	3,422,533	161,647	247,953
Over five years	12,535,031	10,569,352	-	-
	<b>17,997,598</b>	<b>14,930,245</b>	<b>381,656</b>	<b>529,013</b>

### Charity

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

	Property 2018 £	2017 £	Equipment 2018 £	2017 £
Less than one year	55,645	52,506	207,692	281,060
One to five years	222,580	210,024	139,024	247,953
Over five years	145,790	190,461	-	-
	<b>424,015</b>	<b>452,991</b>	<b>346,716</b>	<b>529,013</b>

# THERA TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**for the year ended 31 March 2018**

### 30 Operating lease commitments - receivable as a lessor

#### Group

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

	<b>Property</b>		<b>Equipment</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Less than one year	870,004	701,469	-	-
One to five years	3,480,016	2,805,877	-	-
Over five years	11,599,779	9,885,198	-	-
	<b>15,949,799</b>	<b>13,392,544</b>	<b>-</b>	<b>-</b>

#### Charity

There is no rent receivable in the Charity.

### 31 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.

As with many other organisations in the sector, a number of subsidiary companies in the Group are taking part in the Social Care Compliance Scheme in relation to the national minimum wage review by HMRC. Following a recent ruling by the Court of Appeal, Thera Group has taken further legal advice on this matter and the directors are satisfied that current contractual and policy arrangements continue to comply with all relevant regulations as currently interpreted. The directors do not therefore believe it appropriate to make any provision in the 2018 financial statements in relation to this matter. Similarly, whilst the matter generally may be subject to further legal or regulatory rulings in the future, in the absence of any specific adverse finding and as there are no current specific challenges to Thera Group's past practice, it is not possible to establish and/or quantify any contingent liability relating to this matter.

### 32 Post balance sheet events

During 2018-19 The Camden Society's employment, training and social enterprise activities will transfer into Unity Works Social Enterprises. Social care contracts and associated staff in London will also transfer into The Camden Society (London). Thera South Midlands will then transfer its social care contracts and associated staff in Hertfordshire, Northamptonshire and Leicestershire to The Camden Society. All restructured activities remain continuing within the group and as a result, the accounts of Thera South Midlands are therefore prepared on a going concern basis.

In February, 2018, Thera launched its third charity bond. At the year end, a total of £2.5m. had been raised and after the year end, a further £2.5 m. was raised and the bond offer closed at the end of April, 2018.

On 28th April, 2018, Thera repaid £1 m. to investors relating to Thera's first bond issue from 2015.

### 33 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.