



THERA TRUST

Registered No: 03593418

Charity No: 1090163

TRUSTEES' CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

THERA TRUST

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INTRODUCTION

**These papers tell readers what the company has been doing
between April 2018 and March 2019.**

**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.**

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REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2019

The Directors are pleased to present their report and financial statements for the year ended 31 March, 2019.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

Garner Canning
11 Aldergate
Tamworth
B79 7DL

Principal 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:

Michael Morgan

Karen Boyce-Dawson*

William Carter

(resigned 7 November, 2018)

Christine Chang

Simon Conway*

Jennifer Garrigan*

Peter Jones

(resigned 7 November, 2018)

Jill Parker

Martin Pilkington

Christopher Rheinberg (Interim Chairman) (appointed 7 June, 2018)

Matthew Smith*

Brian Young

(resigned 11 December, 2018)

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

* Members of 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;

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- ✓ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ✓ prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in 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

Report of the Directors and Trustees¹

"As a relatively new non-executive member of the Thera Trust Board (although not new to Thera) and recently appointed Interim Chair, it's a privilege to draft this introduction to the latest Thera Trust Annual Report.

Standing still has never been part of Thera's philosophy and 2018–19 saw steady advances along the roadmap laid out in our strategic direction. This report details those advances across the Thera Group and, by way of an overview, I have selected a few examples.

Offering employment and training opportunities to more people in more areas has been greatly enhanced by the formation of Unity Works Social Enterprises. Building on the outstanding work carried out by the now re-structured Camden Society, Unity Works is beginning to share its experience in supporting people with a learning disability with training or into work across other companies in the Group. Restructuring The Camden Society and Thera South Midlands into three separate entities, enabling it to focus on support in London, the South Midlands and on training, employment and social enterprises, has helped stabilise that part of the Group and increase its sustainability.

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

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Finance raised through the Thera's third charity bond, supported by Triodos Bank, together with additional funds made available through Cheyne Capital, have continued to make a real impact in facilitating access to adapted property within people's chosen communities. The story told by three men on pages 24-27 of this report, is just one insight into the life changing opportunities that this element of our strategy can bring. The year also saw the financing and opening of a new short break service in East Anglia, providing essential respite care for families and carers in the area.

Developments have equally shown the huge contribution of other specialist companies within the Group. Dosh, which provides financial advocacy services for people with a learning disability and helps them to manage their money, was supporting over 1,000 people by the end of the year and has put in place 'Project 2000' with the aim of supporting another 1,000 people in the next five years. The Quality Company, which employs people with a learning disability to check the quality of the support Thera provides to individuals, employed 29 staff with a learning disability at the end of the year. The experiences recorded by these staff provide an amazing insight into the employment world for those with a learning disability. The impact that this model of peer review has on the quality of individual support is now being shared with disability organisations outside the Thera Group.

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In singling out these examples, what should never be forgotten is the outstanding work carried out by our 10 regional companies across the UK. They are at the heart of everything we do. Against a background in which social care becomes increasingly challenging, the dedication of their staff and their boards (which, like the Trust Board, are largely populated by volunteer non-executive directors) brings the Thera Vision to life to the individual benefit of each of the people they support.

Inevitably the year has also not been without its challenges. Whilst we continue to provide support to a growing number of people, our potential in many areas is frequently limited by the difficulties in retaining and recruiting staff. At the same time, constraints on local authority budgets are a constant backdrop to our own finances and often result in the need for our directors and managers to battle long and hard for the rights of individuals with a learning disability to live the lives they choose. Despite this, Thera's financial position has again improved during 2018-19, with Group income rising from £67.2m to £70.0m. Financial performance, however, fell short of expectations; largely due to the costs of The Camden Society's re-structuring as well as, in some key hotspots, challenges with staff retention and recruitment.

Looking forward, we wait to see the impact of a major new retention and recruitment initiative in 2019-20 and from the recruitment of our new Head of Fundraising, developing a new fundraising strategy and seeking to widen our funding resources.

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Working with Thera, it is difficult not to be proud of the achievements of the people Thera supports, of our dedicated staff, management teams, boards and stakeholders. My personal thanks to them all.”

Chris Rheinberg
Interim Chair

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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.

Our vision

- **Thera will show that people with a learning disability can be leaders in society**
- **Thera will be controlled by people with a learning disability**
- **People supported by Thera can say how their Thera company is directed and managed**
- **People with a learning disability will design the support they want from Thera.**
- **Thera will respect the rights and wishes of people at work, at home and in the community**
- **People with a learning disability will check the quality of support from their Thera company**
- **Thera Group will be led by a charity**



Thera Group
Supporting people with a learning disability

www.thera.co.uk

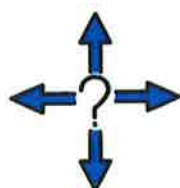
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Although people with a learning disability have a greater profile in society today than they did twenty-one years ago, they still face considerable prejudice and misunderstanding. Hate crime is frequently covered in the media and people still find 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 case that people with a learning disability, particularly those with complex needs, remain hidden away from society. Thera's Vision therefore remains as relevant and necessary as it was when the organisation was first established.



direction

Strategic Direction

Thera's strategic direction continues to broaden the range of care, support, services and activities that Thera undertakes

- ✓ 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

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- ✓ Expanding Development Opportunities for Leaders with a Learning Disability
- ✓ 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 beneficiaries and commercial considerations, trustees have had regard to the Charity Commission's guidance on public benefit and believe that the strategic direction, objectives and activities of Thera Trust and its subsidiaries fulfil the Commission's requirements². Thera's objects, aims and activities continue to be charitable and provide benefit both directly and indirectly to individuals in need, their families and the local communities in which they live. The

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

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

Throughout each year, Thera Trust's trustees track progress of the 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, 2019, Thera was providing support to over 3,200 people with a learning disability (31 March, 2018 – 3,000) across the UK.

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

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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Each year, we hear stories from people we work with which continue to inspire us! As we focus more explicitly on our impact and its measurement, we see this demonstrated clearly in such stories. 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.

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“As part of my role as Service Quality Director for Thera East Anglia, I report to the board with my observations about the support we provide. One of the things I identify is where staff have 'challenged the norm'. This is a way of highlighting where people have gone beyond doing a good job and are trying to make even more of a difference for people's lives.

One of the key pieces of information I work with are the reports from The Quality Company. As these come in, they are logged and if anything is of concern, they are followed up either with a phone call to staff or a visit to the person we support. I then report the status of the issue and any outcome to the board

Thera East Anglia has developed an active company membership, which meets four times a year as well as at the AGM. For the last three years Stephen Norfield has been the Independent Director, nominated by the members. At the start of 2019, Stephen decided not to seek a further term as a Director. I should like to thank Stephen for all he did during his time with us, in particular helping to develop the role of the members in influencing decisions made by the board. I am pleased to say the members have moved quickly to nominate Andy Feather as our new Independent Director. We welcome Andy and look forward to working with him. We are already looking at how we can increase the number of members and ensure they continue to feed into the board and influence what Thera East Anglia does and how it does it.”
David Parker, Service Quality Director, Thera East Anglia

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*Individual (Direct) Support – Supporting People to Have a Great Life!*³

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.

'Dave' moved from a residential care home, where he had had little opportunity to do what he chose or to develop his skills, to take up his own tenancy. The move was a real positive for him! He found himself in control of his own home and able to influence his own support.

'Dave' can now choose exactly what he would like to do with his support hours each day and has been encouraged to develop domestic skills. He was reluctant at first but now happily does his laundry and cleaning with very little assistance. He gets involved with preparing and cooking his meals and has access to a community that he didn't have where he lived before.

'Dave' is in the process of travel training to be able to get about on the bus without support, which will enable him to visit his family, who live out of town. The autonomy 'Dave' has gained has had a significant impact on his well-being and the way he interacts with other people.

³ 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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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. The impact of Thera's support sometimes seems only to be small steps but, over the longer term, great strides are evident.

'Fred' moved in to his new house along with his wheelchair and started being supported by Thera. He has now stopped medication, which was prescribed to help him manage his behaviour, and he no longer needs regular intervention from staff to support him with this either. The number of 'Fred's' falls has significantly decreased, which means fewer visits to A&E. He enjoys meals out and activities such as bowling, going to the local aquarium and to the beach. 'Fred's' support team have to follow a structured routine to ensure his needs are met on a daily basis. More recently, 'Fred' was able to enjoy afternoon tea at a posh hotel with his two sisters, which they hadn't been able to do for some time.

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'George' has been supported by Thera now for almost four years. He found it difficult to be out and about without a lot of staff support and often liked to take his clothes off at every opportunity. Over a period of time, with structured support and a consistent staff team who know him well, he has learned to manage how he behaves and now enjoys getting out and about on a range of outdoor activities - surfing, hiking and long walks on the moors. He has lost weight, learned social skills and shows respect to others.

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.

'Liam' wants to do a skydive and has started practising for this. At first, he did role play around his house on how it might feel to jump out of a plane. He is now taking part in sessions at an indoor skydiving centre and his next step will be to see how he gets on in a flight simulator.

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'Mary' told us "I get on very well with my support workers and one of them supported me earlier this year to go to a sci-fi convention. I really love science fiction stuff and especially Dr Who. At the convention, I saw some of the actors who have played the Doctor and I got to meet Peter Davidson and had my picture taken with him. There were lots of people dressed up in costumes and I saw a real Dalek going around. I got my picture taken with it which I have in my room at home. I spent hours walking around and buying things in the shops. When Steph reminded me it was time to go home, I didn't want to leave but I am going to go to more sci-fi conventions and next time I plan to get dressed up as Dr Who."

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employment

Employment, Training and Social Enterprises

Unity Works Social Enterprises, a new company in the Group, supports people with a learning disability with training and support into, and in, work. This includes working through its social enterprises - catering, gardening, warehousing and distribution, in addition to working alongside a number of Further Education colleges to support young people of 19-25 years to progress from vocational courses into employment. As well as its work in London, Unity Works' experience and expertise is now being shared more widely across the Group and they are developing tools to help other Thera companies support people into work.

PW's employment goal was to work in children's retail. We contacted The Entertainer, a nationwide toyshop company, through a Disability Confident event. They were keen to work with us to find out how they could employ a more diverse workforce. PW initially secured a 4 week work placement, working 2 days a week. During this time, we offered The Entertainer free disability awareness training for the whole retail staff team. PW has now been invited to apply for a permanent position.

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Supporting Entrepreneurs



As a result of our Dolphins' Den⁴ project, we support people with a learning disability to set up their own business or community project, and we are applying skills learned from this project to new initiatives elsewhere in the Group.

82 Crafts and Creations sells handmade items and craft supplies. It is a great resource for the people we support in the area to make and sell their own items, as well as gain employability skills through volunteering. In December, 11 people took part in creating the festive items, which included light up bottles, garlands and wreaths, Christmas-themed baskets and buckets, a variety of unique tree decorations, countdown Christmas plates and candy canes.

Money from the sale of the items will be put towards purchasing an interactive whiteboard, which will support Thera East Anglia's Paths to Employment project. Jo Stebbings, Community Support Leader said, "There continues to be fantastic support for the shop from local businesses and the community in Whittlesey, with regular donations of craft materials and with regular customers."

⁴ Dolphins' Den is part of Building Bridges. [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 project has received up to £6.4M of funding from the European Social Fund and The National Lottery Community 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>

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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 find a house suitable 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.

During the year, Forward Housing completed a 4-bedroom bungalow in East Anglia. Three men tell in their own words the impact this has had on their lives. People within a person's immediate circle can tell you what they heard and saw but it will always be from their perspective - from the outside, looking in. Only an individual can tell you their own story.

We are three men who have been friends for a very long time. We were all born in the 1950's, in a time when people with a learning disability like us were labelled as idiots, mentally defective and imbeciles. Families in those days had very little support and were often told by professionals to 'forget about him - put him away. He won't live long anyway.' People in the local community didn't know what to say to people who had a child like us. As children, we were invisible, only being seen by others when out with our families.

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The years progressed and the search for a more suitable home dwindled away. As we aged, we increasingly needed more support with our health and physical needs. The house aged with us and eventually no further adaptations could be made. On top of this, we were living in a shabby environment that was outdated, uninviting and depressing to be in.

For several years, family and staff tried to make the best of a bad situation but eventually the decision was taken to consider finding alternative accommodation. Sounds simple, but again legislation had changed; but now the rights of people with a learning disability had been acknowledged. This time, our opinions had to be sought, and a decision would only be taken on our behalf if we were unable to understand.

In April, 2017, the process to find a suitable home that would meet our needs for the rest of our lives started. Everyone agreed that it was in our interest to stay together but move to a bungalow, ideally in the same area due to the people we knew in the area, our family and staff who knew us. Again, a fairly simple request until property prices in the area, plus the cost of adaptation works were factored in. Above all else, the property had to be affordable and sustainable, in terms of Housing Benefit.

Buying the property was just the first stage. The property had to be made fully wheelchair accessible throughout, with a bathroom and a second, level access shower room supplied. We chose the colour schemes for each of the rooms. The works took eight weeks to complete. During this time, our staff worked to help us prepare us for the move, as we find any change difficult and a major move like this was very challenging.

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A detailed Housing Needs Assessment was completed for each of us. Forward Housing was asked to look for properties in the area. Over the next eight months, six properties were considered and discounted for a variety of reasons. The seventh property, which was in the same town, ticked all the boxes for us and our families. Funding for the purchase and the works were agreed and the property was purchased on the 26th February 2018.

The 9th May, 2018, marked the start of a new chapter in our lives. The move went much more smoothly than anyone expected and we settled quickly. We now have a warm and inviting home in the place where we have lived for most of our lives, in a community which knows and accepts us. What a difference a year makes!

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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.

'Joe' has started being supported by Dosh. He owed £4,000 to utility companies and was sad about his debt. It emerged that 'Joe' had been on the incorrect benefits and Dosh worked hard for 'Joe' to be awarded an ESA back payment of £19,000. He is now on the correct benefits. Joe and his financial advocate decided that this money would be transferred into his Dosh bank account and his outstanding debts were cleared. They spoke about what 'Joe' would like to spend his money on and he has booked his first holiday in over 5 years. This will make a huge difference to 'Joe'. His support team have said how cheerful and happy he is since being on the right benefits and he can now spend his money on things he enjoys.

'Jason' was finding managing his money hard and would often find himself without enough money to do what he wanted. 'Jason's' financial advocate helped 'Jason' to look at where he was spending his money and discovered that he was paying a lot of bills that he didn't need to. They also noticed that it was taking a long time for bills to be paid meaning that he was being charged for being late and owing more money. 'Jason's' financial advocate helped him to set up his bills as direct debits and cancelled the bills he didn't need. This meant that 'Jason' had more money, so he could go out and do the things that he enjoys.

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'Ian', who was on contribution-based ESA, which replaced the Incapacity Benefits he was getting, received just under £17,000 as a backdated payment. With Dosh's support, the DWP investigated his claim and decided he was eligible for the income-related ESA from 2013 and they paid premiums he was entitled to from that date. This has significantly changed Ian's circumstances. He has started buying new furniture and decorating his flat. He is also planning to go on a holiday abroad using some of his savings.

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.



Community Capacity Building

Tera works to build the capacity and capability of people's communities to be accepting and involving of their neighbours.

In October, staff from The Quality Company were invited to present at a round table event organised by the Voluntary Organisations Disability Group (VODG). The event focused on the NHS initiative, "Ask Listen Do". The Quality Company, along with other colleagues from Tera Group, presented 'Hearing, Seeing and Feeling What You Think of Your Support: Quality monitoring by people with a learning disability'. The presentation was well received by those attending.

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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.

Gig Buddies, Scotland has made some exciting developments in the past year. From creating more pairs of Gig Buddies (matching our members to like-minded volunteers) to getting out to more events, the project is going from strength to strength. In June 2019, we received funding from the National Lottery Community Fund to run Gig Buddies in Glasgow for 3 years, starting in September, 2019. To help manage the development and growth of the project, we are hiring two local Project Co-ordinators, one in Glasgow and one for our West Lothian Project. We're excited to be building a team to develop Gig Buddies across Scotland.

The project now has 30 pairs of Gig Buddies across Edinburgh, Midlothian, and West Lothian, who are getting out every month to enjoy their shared passion together. A member who has only had a buddy relationship for five months says: 'I've definitely been getting out more since getting a volunteer. Having a Gig Buddy has been pretty great'.

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Other people have been with the project for much longer and it's amazing to see how pairing relationships develop over time. A volunteer who has been with Gig Buddies for over two years says: "I'm so pleased that my Gig Buddies pairing has provided a true friendship, where both my Buddy and I have gained so much from our time together. We have been to many events, from the theatre to just meeting for coffee. I have moved away, but we have not allowed the distance to challenge us and we continue to talk and see each other as regularly as before. In June 2019, we are going on holiday together to Rome, which we're both very excited for."

It's also been fantastic to speak to parents and carers about the impact that the project has had on the people they support: "As a carer, Gig Buddies has been great for us. We are especially pleased that it keeps our daughter in a social group which she would otherwise not have. My daughter goes to Gig Buddies' events where she can socialise more widely, but her and her buddy also take turns to choose what they want to see together. That way they widen both their horizons and it's been working really well. My daughter has had a Gig Buddy now for almost 3 years. He has really widened her opportunities, and her growing independence from family and more formal support and social care. I consider Gig Buddies has been an important factor in her increasing maturity and ability to be firm in making her own decisions. Every young person should have a Gig Buddy; indeed a lot of older people could do with one too!"

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Thera East Anglia launched a community allotment project in Ely. The project is based at the Bridge Fen Allotments site in the city and is growing a wide range of produce from carrots, potatoes, onions and peppers to cucumbers, beetroot, pumpkins and butternut squash - to name just a few. Terri Dumont, Employment Support Manager, said "The allotment is helping to teach the people we support how food is grown and how to eat healthily, as well as providing a safe space for them to socialise and make new friends." Volunteers on the project are able to take their freshly grown vegetables home with them to enjoy. Produce is also being donated to Larkfields Community Café in Ely, where it is being turned into tasty meals. The café employs people with a learning disability to help them develop new skills in a real-life working environment.

The Role of Thera Trust



role

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 30 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.

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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 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.

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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.

Where Thera Works



location

During 2018-19, Thera continued to support people in many parts of England. Thera (Scotland) supports an increasing number of people in South East Scotland and the Highlands. Dosh also supports people in South Wales.

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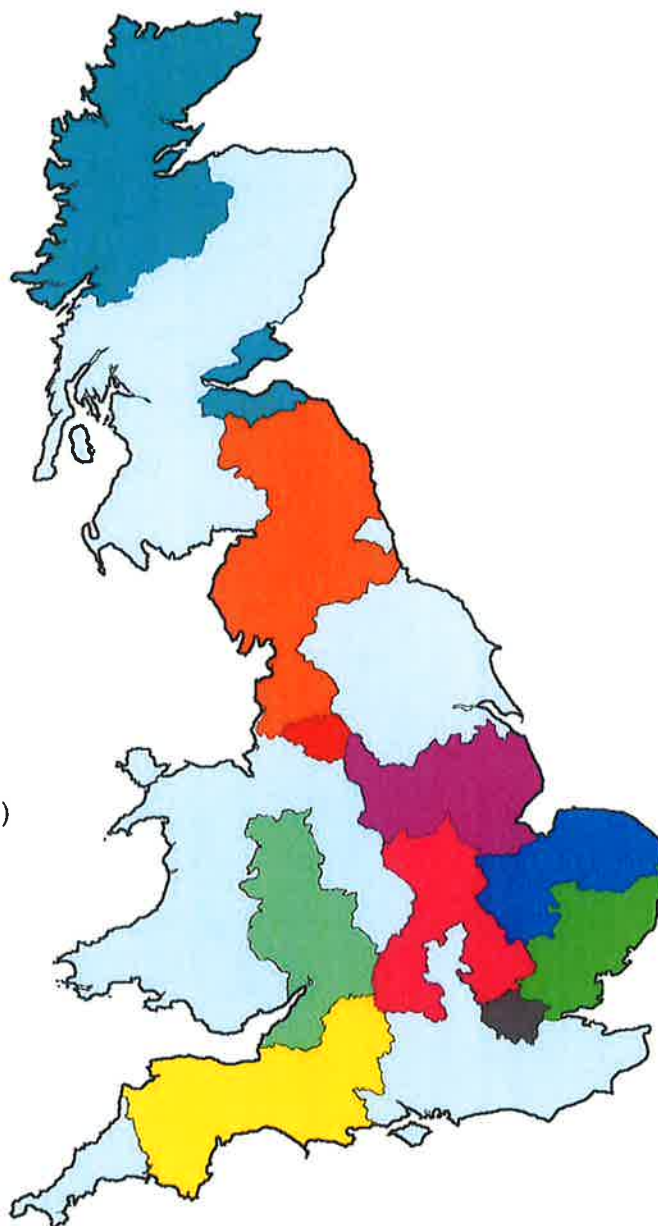
This map shows the areas that Thera covers.

Key

- Ansar Projects
- Aspire
- Thera East
- Thera East Anglia
- Thera East Midlands
- Thera North
- Thera (Scotland)
- Thera South West
- The Camden Society
- The Camden Society (London)

Specialist companies

Dosh
Equal Futures
Forward Housing
The Quality Company
Unity Works



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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 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.

Thera is 21 Years Old!

21

21

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.

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

At the time of writing, Thera has recently celebrated its 21st Birthday; but during 2018-19, there were a variety of 20th birthday events! These included TheRamble, a series of walks across the country by beneficiaries and staff. In addition, a 20th birthday event was held in July, 2018 in Grantham, which included a number of staff awards being made. An ongoing project, which was started to coincide with Thera's 20th birthday celebrations, is the "Life of Thera" project, which is an accessible living archive. It will continue to be added to as the organisation continues to develop and to support more people.



There are 31 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 beneficiaries and customers and involve people with a

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learning disability in the direction and management of their local company.

During the year, there have been a number of company changes within the Group.

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 Living⁵.

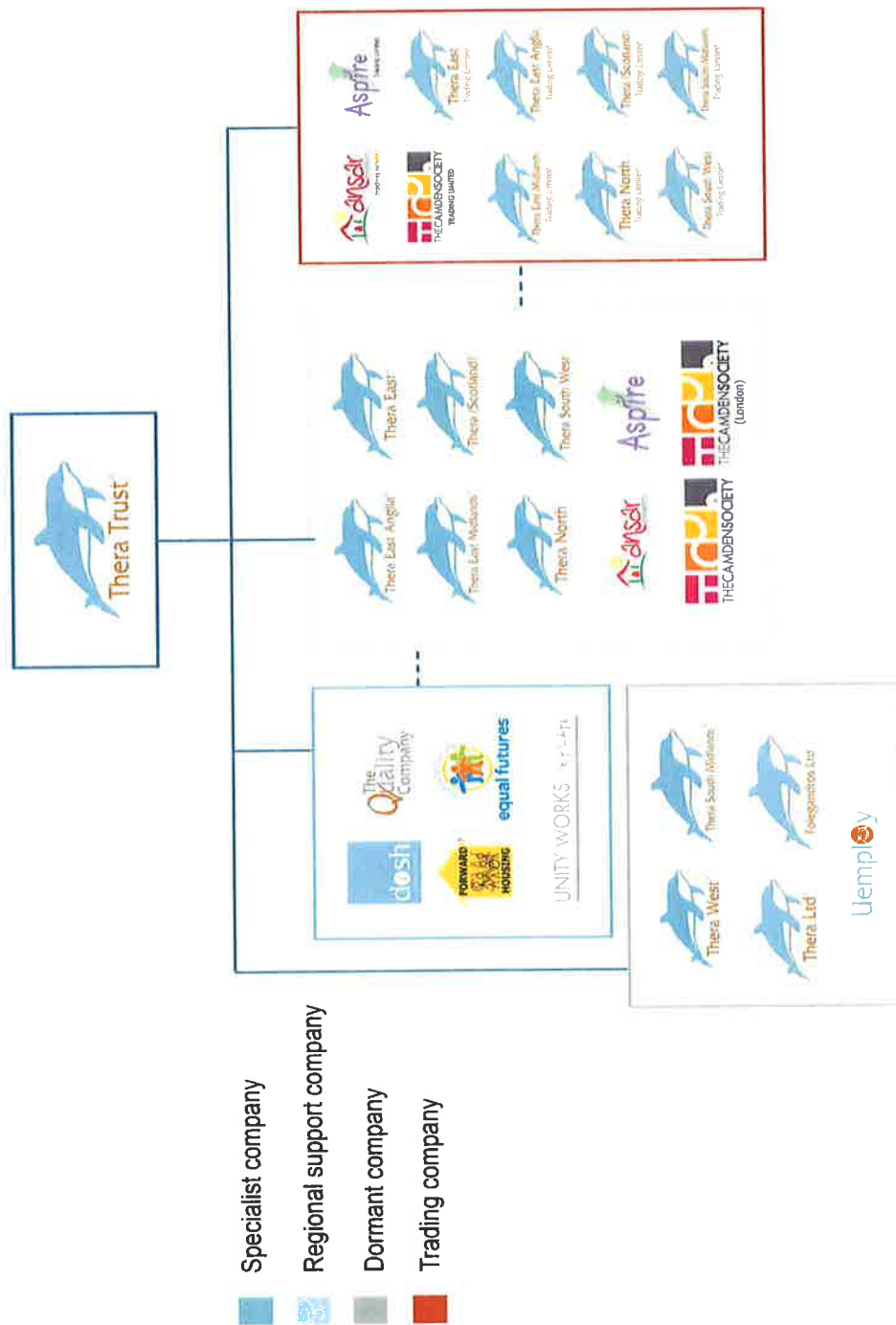
Thera South Midlands was incorporated on 28 August, 2013, to take on part of the work undertaken by Thera East and Thera East Midlands, and started trading on 1st April, 2014. From 1 January, 2019, Thera South Midlands transferred all of its staff to The Camden Society, which took on responsibility for its work and Thera South Midlands become operationally dormant.

⁵ Forward Living, a charitable company limited by guarantee joined the Group on 1st January 2009 and was struck off the register of companies on 7th May 2013.

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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 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. Unity Works Social Enterprises and The Camden Society (London) were incorporated on 1 May, and 25 July, 2018 respectively. They started trading on 1 January, 2019 with staff and contracts in London transferring from The Camden Society.

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.

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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 Ltd, a provider of residential care services to people with a learning disability and autism or dual diagnosis. During the year, the board of Ansar Projects Ltd determined that it wished to trade as a not for profit company. Having changed its name to Folegandros Ltd, a new Ansar Projects not for profit company was incorporated on 25 March, 2019, which started trading on 1 April, 2019, taking on all of the work from Folegandros Ltd.

Uemploy, and Thera Ltd were dormant during the year to 31 March, 2019. Thera West traded in Thera's charity bond issue during the year.

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

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people with a learning disability. Three of these companies traded during the year.

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

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leadership

Leadership by People with a Learning Disability

Each regional company within the Thera Group has a paid Service Quality Director post on its board or senior management team, responsible for monitoring quality assurance and the design of new types of work as well as representing the views of people with a learning disability on the board and elsewhere and ensuring their influence on the organisation's decisions. These are paid executive roles. Following the establishment of new companies during the year, recruitment to more such roles is being planned.

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 now posts for 11 paid directors with a learning disability across the Group.

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



A number of companies in the Group have 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.

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staff

Thera Employs Good Staff

At the end of the year, the Thera Group continued to employ over 3,300 staff, the majority of whom are support workers. During 2019-20 this figure is expected to increase following Thera East Midlands starting to support over 50 people in the West Midlands.

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.

For a further year, we were pleased to be able to afford another material increase in staff salaries across the Group. This included senior managers after a gap of several years, recognising their importance to the operational management of Thera's work. This should enable us to continue to be able to recruit and retain high quality staff in an increasingly competitive labour market. We hope that the following example is representative of how our staff feel about working for Thera.

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"I have had so many highlights over my short time with Thera. The biggest joy I have is being able to support people in making their own choices - whether it's about what kind of cereal to have for breakfast or what activities to get up to.

I have particularly enjoyed intensive interaction training which I try to use a lot with one of the gentlemen I support and I have had really good responses from him. The ultimate goal here is to allow him to freely interact in his own way and for me to be able to understand what he's doing in order to give him better control over the choices he makes.

I had the privilege of spending Christmas day with one of the people we support and it was amazing. We opened presents, had Christmas carols on, danced, watched Miracle on 34th Street (his favourite) and had a huge dinner together. To finish the day off, we had a nice walk around the village looking at all the Christmas lights. I don't think either of us was expecting such a nice day but I can honestly say that it was truly awesome.

Being a support worker means you are always on the ball, always encouraging someone and always caring. If I am completely honest, I never thought I'd do this kind of work but now that I am, I absolutely love it and wouldn't change it for the world."

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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.

As well as the now established staff awards scheme under the control of our Employee Consultative Councils in several companies, individual companies are also exploring further initiatives such as long service awards. Thera Trust has continued to maintain its support of these schemes with a £50,000 annual investment.

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

"I feel that my daughter's world is beginning to open up more. She is becoming involved with other people and having fun going to soft play and the park with her facilitator. She is happy and relaxed and able to trust another person besides me. My Family Link Worker is an invaluable support by providing information regarding activities in our local community that my daughter can attend."

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"I started working for Thera East Anglia in December, 2018 as a Support Worker. I have worked in different types of jobs such as a baker, a butler, a waiter and in computer software, but I was a bit hesitant of making the change to social care as I had never worked in this sector before. Once I made that change in career, I wish I had done this job sooner. I think to myself about 20 times a day, why have I wasted time chasing figures when I could have been doing a job that I love and have such a supportive team?

I got asked to support someone to go to Disneyland, Paris not long after I started. It was something the person supported really wanted to do and I'm so glad I went because we are like best mates now. He teaches me signs as he is unable to communicate verbally and whilst at Disneyland, I could hear him humming with excitement as he met Darth Vader. It was a fabulous moment for me to witness as he had not had that sort of conversation with anybody else.

You have no idea how amazing working in social care is; most of the time it's not even like work. Just knowing that you can make someone's day in a short amount of time and that it's all about giving people the encouragement they need to build their self-esteem. Working in care isn't what you think it is and you realise the little things more. I work in an all-male environment, which I was worried about at first because I have never worked in an all-male team before but, having settled in, I just love it now. The guys want to be supported by other men with similar interests and that's really important to them".

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Company News from 2018-19

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 3,200 people with over 3,300 staff. Over 6,500 people therefore rely on the organisation directly in one form or another; not counting people's families and community stakeholders! 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

As well as funding secured the previous year from Cheyne Capital, Forward Housing started to benefit during the year from funding raised by Thera Trust from a further charity bond.

Utilisation of this funding has been slower than planned. In the last quarter of the year, Forward Housing was to provide a property for each of three individuals with complex support needs who were being discharged from a long stay institution. At very short notice, the local authority stated that their discharge would not proceed.

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The individuals had been involved in finding their new houses and choosing staff to work with them. We cannot know the detailed reasons for the decision, but we can imagine that there will have been some negative impact on individuals, who will have been looking forward to gaining independence of institutional care.

Government policy continues to be that people have better lives when they live in their own home with suitable care and support arrangements around them. Over time, they can become more independent, require less paid support, make friends, exercise life choices, contribute to their local community and gain voluntary or paid employment. Sadly it seems as though, in some parts of the country, progress with this policy remains slow.

During the year, Forward Hosing therefore purchased only one property using bond funds. Nevertheless, the pipeline of demand for property from Forward Housing remains strong and next year's report is expected to have much more to say.



The Camden Society and Thera South Midlands

The Camden Society's intended re-structuring, reported last year and referred to earlier in this report, was completed on 1 January, 2019. Its operations in London were transferred to two new companies, Unity Works Social Enterprises (employment, training and cafés) and The Camden Society (London) (support to tenants, community support and short breaks). Thera South Midlands

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transferred its operations in Northamptonshire, Hertfordshire and Leicestershire to The Camden Society.

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



money

Thera's Money

Thera's accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with Thera's Articles of Association, applicable law and the requirements of the 'Accounting and Reporting by Charities, Statement of Recommended Practice' issued in January 2015 and FRS102.

Thera's balance sheet has again improved during the course of 2018-19. However, whilst underlying trading remained strong, financial performance fell short of expectations. As well as the delay in the housing project referred to earlier, retention and recruitment of staff in some areas was exceptionally challenging, leading to higher costs and a lower trading surplus than planned. The year also saw considerable additional one-off costs incurred in the re-structuring of The Camden Society.

Thera's income in 2018-19 continued to come largely from contracts with Local Authorities or NHS organisations. Increasingly, contracts with these public bodies are on an

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individual basis, with people themselves having a greater say in how the money is spent on their behalf. A limited amount of income comes directly from individuals supported by Thera, who are taking advantage of the control that Direct Payments and Individual Budgets gives them. It is disappointing that, across the country, people with a learning disability are being discouraged by, or in some cases, prevented from, taking up such opportunities within the social care system. As Thera broadens the range of its activities, a small but increasing proportion of income is earned through grant funding.

Group incoming resources in 2018-19 were £70.0m (2017-18 £67.2m). The increase reflects support to more people across the Group and price increases. Income in 2019-20 is expected to exceed £72m, as we continue to make increased use of the capacity within the Group's infrastructure.

During the year, the Group retained a surplus from its charitable activities of £0.9m (2017-18 £1.5m), before exceptional costs of £0.4m. (2017-18 £0.3m).

As last year, Forward Housing's Trustees have recognised a further small and unexpected donation of £0.1m (2018: £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

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extended lifetime, which is included in the result for the year. There will not be a similar donation in 2019-20.

In addition, the Trustees undertook a review of the value of its leasehold property, which indicated an increase in value across all properties of £0.3 m.

As a result of all of the above, a net £0.8m was added to the Group's reserves at the year end.

Covenant EBITDA⁶ (before exceptional items) was £1.6m (2017-18 £1.7m).

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

⁶ Covenant EBITDA – earnings before interest, tax, depreciation and amortization, which measures the company's operating performance, calculated here in line with Thera Trust bond terms and conditions.

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have also maintained the discretionary fund to reward individual members of staff who demonstrate a particular contribution to the Charity's objectives.

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



Investor Support

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

£1m of the funds raised 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 the new bond, and our previous (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

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bonds and for those individuals and organisations who helped in bringing them to fruition.

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

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

The agreement with Cheyne Capital reached in December, 2017 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 be seen in increased Group turnover.

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money

Reserves

The results for 2018-19 had a positive impact on the Group's reserves. Net assets at 31 March, 2019 were £11.3m (31 March, 2018 (re-stated) £10.5m).

Thera's reserves were made up as follows:

	£,000
Unrestricted Reserves (incl. Re-Valuation Reserve)	10,909
Designated Reserves	28
Restricted Reserves	337
Total Reserves at 31 March, 2019	11,274

At the year end, net current assets were £9.7m (31 March, 2018 (re-stated) £7.0m) reflecting both the positive trading performance during the year and the remaining newly raised bond funds.



cash

Cash and Working Capital

Operating cash decreased by £1.0m. reflecting largely normal changes in working capital across the year end, also reflected in an increase in debtors at the year end. £1 m. of the £2.5m bond funds raised in April, 2018 were used to repay Thera's first charity bond and overall cash decreased over the year by £0.6m (2017-18 increase of £4.1m).

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Thera's Treasury Management 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



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 intended increase both in property-related assets and net current assets. The overall level of reserves is equivalent to between two and three months' Group turnover. However, along with increased net current assets, it provides substantially greater levels of cover for individual component parts of the Group. Thera Trust's charitable free reserves were £4.5m at the year-end (31 March, 2018 (re-stated) £4.5m).

The Reserves 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

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- ✓ 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 started supporting people in a new area of work for the Group. It is still expected that those companies will support more people in the future allowing any balance sheet deficit to be eliminated. In the case of regional companies in this position, these will be a specific focus for development activity in the years ahead. Alternatively, Thera Trust will continue to support financially those entities which provide necessarily loss-making services to its beneficiaries.

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, 2019 we achieved this. Further details can be found on our website.

	Target	Performance
Net Asset Cover	130%	229%
Interest Cover (EBIT)	250%	299%
Interest Cover (EBITDA)	300%	383%

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Percentage performance against covenant targets was lower than the previous year. This was a result of interest costs incurred before growth enabled by capital expenditure, as well as difficult the labour market conditions in some key areas impacting on financial performance against budget.



investment

Social Investment Policy

Thera Trust's Social Investment Policy allows Thera:

- ✓ To make social investment by way of loan and grant of contracts in accordance with the strategy of Thera Trust for providing services to individuals with a learning disability, their families and carers associated with the Thera Group
- ✓ 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 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

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East Anglia in continued support of their supported employment project.

In addition, Thera Trust made a social investment grant of £800k to The Camden Society to support its cost of change, its integration of the operations of Thera South Midlands and the re-structuring of certain staff terms and conditions



Pensions Liability

The Social Housing Pension Scheme ("SHPS") has previously been accounted for by reflecting the net present value of a deficit reduction plan on the balance sheet. During the year, the SHPS' trustees advised employers that it would be able to provide, for the first time, a valuation based on each employer's individual share of the Scheme's assets and liabilities. It was suggested that the changes inherent in this new approach would all be reflected in the accounts for the year to March, 2019.

However, Thera has decided to have its accounts reflect estimated prior period adjustments based on information supplied by the SHPS. This allows the reflection of the substantial withdrawal of benefits from the Scheme by employees in those prior periods as reported in previous years as intended, alongside the change in scheme assets and liabilities during 2018-19.

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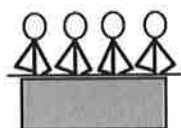
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Details of these changes can be found in note 23 of the accounts. They show that, on a 'technical provisions' basis, withdrawals from the scheme reduced the liability of the defined benefit obligation by in excess of £2m. On a 'solvency basis', liabilities were reduced by around £3m as a result of these withdrawals.

The change in the accounting approach by the SHPS may result in more balance sheet volatility in future periods than previously experienced as the value of SHPS assets fluctuates.



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

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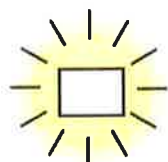
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filtered, and the equal team structures means that the leadership of the organisation is not represented by a single figurehead. There is no clearer demonstration of Thera's Vision and its commitment to it, both internally and externally. The status 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.



new

New Thera Directors

Chris Rheinberg joined the board in June, 2018, having previously served on the Thera East Anglia board. Subsequent to the year end Chris was appointed as interim Chairman for a period of six months.

The trustees are seeking a new Chairman to lead Thera's board in the next phase of the organisation's development. Trustees have decided, in line with Thera's Vision, to appoint to a co-chairman role, held by two individuals – one with a professional background and one with a learning disability.

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We also continue to seek a considerable number of non-executive directors/trustees to support several of our company boards. We have continued to recruit both nationally and locally for directors, including people with a learning disability, who wish to be voluntary directors. In 2018-19, we've been delighted to welcome 12 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 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

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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.

The Board continues to monitor 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.

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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 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.

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Nevertheless, in the current climate, the Committee determined that, for a twelfth year, there would be 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 23 to the accounts.



check

Voluntary Directors Check Thera's Money

Audit Committee and Auditors

Thera Trust's Audit Committee has met four times during the year. The Committee has recommended the re-appointment of Sayer Vincent as the Group's auditors for the 2018-19 accounts.

RSM continued their internal audit programme during the year. However, after the year end, the Committee made interim arrangements for internal audit services for the period of a year, pending a tender process for this work.

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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 almost £0.9m (2017-18 £0.8m) 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 15x return on costs of £59k (2017-18, £82 k, 10x).

After the year end, Thera Trust appointed a new Head of Fundraising. He will develop and take forward Thera's fundraising strategy and approach and future years' accounts are expected to show an increase in voluntary income, whilst still securing restricted funding for priority projects.

During the year, limited fundraising activity focused in the main on seeking grants both generally and for specific projects. Relatively little fundraising activity from members of the public took place. Both Aspire Living and The Camden Society did draw on a variety of people to help with some local fundraising activities.

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Occasional use was made of professional fundraisers, particularly to source grants, but there was no use of any commercial participator.

Trustees are not aware of any complaints in relation to fundraising activities; nor are they aware of any breach of the Code of Fundraising Practice.

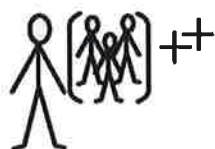


talk

Voluntary Directors Talk with Thera's Staff

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

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



members

People with a Learning Disability will be Members of Thera

Thera Trust's Membership Committee oversees the membership of the company in line with Thera's Articles of Association. The

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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, 2019, there were 97 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.



Related Party Transactions

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

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

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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.

A developing risk in some parts of the country arises from an ever tightening labour market supply and increased salary expectations.

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 in the light of 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
- ✓ litigation risk especially in relation to developments in employment law

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- ✓ 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

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

The Court of Appeal judgement, delivered during the year, 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. However, the Supreme Court is due to rule on an appeal against this judgement in early 2020. Trustees are aware that the outcome of this ruling may involve substantial additional costs being incurred.

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.

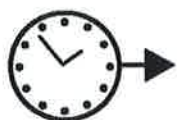
Karen Boyce-Dawson, Director of Operations, is the Lead Director for Health and Safety within the Group and, on behalf of Thera Trust, she also takes the lead in ensuring that the Group meets its corporate body responsibilities under CQC and Care Inspectorate regulations. Managing Directors in subsidiary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

Thera Trust

Report of the Directors and Trustees

(Including Strategic Report)

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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, the raising of corporate finance and internal company re-structuring including that of The Camden Society during the year. There are currently no plans for corporate development activity in the year ahead, although Thera remains open to interest from other organisations who wish to work with us.



people

Supporting More People

After the year end, Thera was awarded a large contract to support over 50 people in the Midlands, increasing turnover by around £3.64m per year. The contract started in November, 2019. Organic growth in a number of companies is expected to continue.



house

Supporting More People to Find a House

There will continue to be substantial focus in 2019-20 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.

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More specifically, several companies will focus on continuing to re-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's Money

Thera's ongoing operations and future growth are expected to see a further increase in turnover and reserves in 2019-20 and future years in line with the Reserves Policy. As a result of the new contract referred to above and price inflation, turnover in 2020-21 is expected to exceed £75 m.

Planned Covenant EBITDA for 2019-20 exceeds £1.5 m before price inflation, although trading performance is expected to continue to be challenging.

Cash will be invested in line with Thera's reviewed Treasury Management Policy. At the date of this report, Forward Housing had a pipeline of 10 new properties for 20 beneficiaries.

One of Thera's investment properties is likely to become surplus to requirements during 2019-20. Repayment of Thera's second £2m bond is due on 31st December, 2020.

Given continued demand for property and growing working capital need in the light of increased activity, Thera intends to approach

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investors once more in early calendar 2020 offering a fourth charity bond.



infrastructure

Group Infrastructure Development

Trustees have agreed a comprehensive plan to develop Thera's infrastructure. This is intended to ensure that the Group remains sustainable as it supports more beneficiaries and works within the continued challenges of the social care sector of the economy.

The plan includes work to strengthen and mature subsidiary boards, develop our leadership, including those roles for people with a learning disability, and invest in technology to make our operations more efficient.



employment

Employment and Training

For 2019-20, Thera Trust has made additional social investment grants to Unity Works Social Enterprises and Equal Futures. These are intended to encourage the broadening of their knowledge and expertise across the UK. For example, Equal Futures will be working on a joint project with Thera East Anglia.

However, after the year end, Unity Works Social Enterprises has taken the difficult decision to close two cafes in London which were no longer sustainable. This is intended to help put the newly registered charity on a sound footing for future development.

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impact

Increasing Our Charitable Impact

Following publication of our fourth Social Impact Report, we look forward to further development of the impact of our activities and to reporting on this in future reports against the following plans.

Continued development of leadership by people with a learning disability

- ✓ introduce a Co-Chair for Thera Trust board of trustees
- ✓ document our story, experience and learning with leaders with a lived experience of learning disability

Continuing to promote and influence the inclusion of leaders with lived experience of a learning disability in other organisations

Continued development of Company Membership

- ✓ launch revised accessible information on company membership to encourage more company members to join our Thera companies

Further develop our Quality Assurance Standards in relation to Health and Wellbeing

Continue supporting people in their day-to-day lives to improve their opportunities for greater personal and social wellbeing, with a continued focus on

- ✓ enabling better access to health services

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- ✓ supporting our teams to work towards NHS England's STOMPwLD initiative (Stop Over-Medicating People with a Learning Disability)
- ✓ improving people's housing environments
- ✓ promoting and delivering greater community access and inclusion

Continuing to ensure equality of support to people with complex behavioural needs

Facilitating access to housing for more people that meets their complex housing needs, including our benefitting from continued bond finance and from our ongoing partnership with Cheyne Capital

Reach more people with a learning disability to improve their financial health and enable their control of their own money

Deliver on the NatWest Skills and Opportunities funded project - Your Money, Your Life - offering workshops to 200 young people and their families

Continue to support people into employment through Unity Works Social Enterprises' work programmes and widen our reach in supporting people into employment and training opportunities across the UK

Review our Dolphins' Den offer as part of the wider employment and training opportunities provided by Thera Group

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Further develop our approach to developing the communities within which we work to include and support people with a learning disability

Review and plan Equal Futures offer of support across the entire Thera Group

Support the development of Gig Buddies into Glasgow and beyond

Seek a range of fundraising opportunities to enable the further development of employment and training opportunities

Develop and strengthen our Impact Management systems approach and practices

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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.

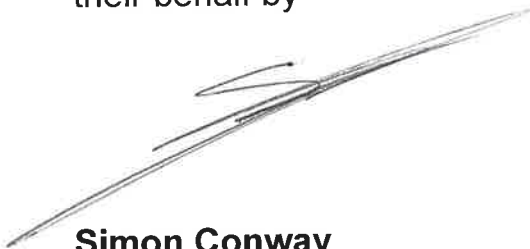
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**This section asks the Company Members to agree that the Auditor,
Sayer Vincent Limited, be chosen again as the company's Auditor.**

APPOINTMENT AND RE-APPOINTMENT OF AUDITOR

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 12 December, 2019 and signed on their behalf by



Simon Conway
Trustee / Secretary



Jennifer Garrigan
Trustee

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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 2019 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 2019 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

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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

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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.

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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.

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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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

**Trustee Directors' responsibilities are explained on page 83.
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.

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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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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

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

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

A handwritten signature in dark ink, appearing to read 'Sayer Vincent LLP', is written over the printed name of Jonathan Orchard.

Jonathan Orchard (Senior statutory auditor)

18 December 2019

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

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 2019

What we have earned and what we have spent:	£
Money in	69,974,560
What we spent on staff	(57,667,807)
Other money spent	(11,810,932)
What is left over from the year	495,821
Revaluation of houses	263,648
Pension valuation	<u>44,717</u>
	<u>804,186</u>
 What Thera Trust has at 31 March 2019:	 £
Land, houses and buildings	1,726,942
Equipment	982,193
Other assets	429,708
Investment properties	7,127,097
Investments	161,368
How much cash we have in the bank	4,218,874
What we are owed by others	11,600,219
What we owe to others	<u>(14,972,094)</u>
Net amount Thera Trust has at 31 March 2019	<u>11,274,307</u>

THERA TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

for the year ended 31 March 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Restated Unrestricted £	Restated Restricted £	Restated 2018 Total £
Income from:							
Donations and grants	3	325,596	667,867	993,463	1,078,696	231,371	1,310,067
Charitable activities							
Supporting people with a learning disability	4	67,965,728	-	67,965,728	65,038,662	-	65,038,662
Rental income	4	996,020	-	996,020	847,015	-	847,015
Investments		19,349	-	19,349	8,794	-	8,794
Total income		69,306,693	667,867	69,974,560	66,973,167	231,371	67,204,538
Expenditure on:							
Charitable activities							
Raising funds	6	58,845	-	58,845	82,163	-	82,163
Supporting people with a learning disability	6	68,494,171	497,107	68,991,278	65,409,530	215,346	65,624,876
Exceptional costs	6	428,616	-	428,616	309,030	-	309,030
Total expenditure		68,981,632	497,107	69,478,739	65,800,723	215,346	66,016,069
Net income / (expenditure) before net gains / (losses) on investments		325,061	170,760	495,821	1,172,444	16,025	1,188,469
Net (losses)/gains on investment properties	14	263,648	-	263,648	45,637	-	45,637
Net (losses)/gains on fixed assets		-	-	-	247,947	-	247,947
Net income / (expenditure) for the year	5	588,709	170,760	759,469	1,466,028	16,025	1,482,053
Transfers between funds	25	5,449	(5,449)	-	660	(660)	-
Net income / (expenditure) before other recognised gains and losses		594,158	165,311	759,469	1,466,688	15,365	1,482,053
Net actuarial gains/(losses) on defined benefit pension schemes	23	44,717	-	44,717	572,884	-	572,884
Net movement in funds		638,875	165,311	804,186	2,039,572	15,365	2,054,937
Reconciliation of funds:							
Total funds brought forward		10,298,580	171,541	10,470,121	8,259,008	156,176	8,415,184
Total funds carried forward	25	10,937,455	336,852	11,274,307	10,298,580	171,541	10,470,121

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 25 to the financial statements.


THERA TRUST
BALANCE SHEETS
as at 31 March 2019

COMPANY REGISTRATION NUMBER 03593418

		Group		Charity	
	Note	2019 £	Restated 2018 £	2019 £	Restated 2018 £
Fixed assets:					
Intangible fixed assets	12	429,708	436,967	429,708	436,967
Tangible assets	13	2,709,135	2,443,640	1,422,333	1,141,322
Investment properties	14	7,127,097	7,118,385	-	-
Investments	15	161,368	-	303,942	303,942
		10,427,308	9,998,992	2,155,983	1,882,231
Current assets:					
Debtors	17	11,600,219	9,516,609	12,764,405	10,992,029
Cash at bank and in hand		4,218,874	4,917,882	3,826,639	4,067,377
		15,819,093	14,434,491	16,591,044	15,059,406
Current liabilities:					
Creditors falling due within one year	19	(6,155,400)	(7,389,363)	(2,446,890)	(3,325,195)
		9,663,693	7,045,128	14,144,154	11,734,211
Net current assets		20,091,001	17,044,120	16,300,137	13,616,442
Total assets less current liabilities					
		20,091,001	17,044,120	16,300,137	13,616,442
Long term liabilities:					
Creditors falling due after one year	22	(8,127,694)	(5,773,999)	(9,094,254)	(6,616,780)
		11,963,307	11,270,121	7,205,883	6,999,662
Net assets excluding pension liability					
Defined benefit pension scheme liability	23	(689,000)	(800,000)	(689,000)	(800,000)
		11,274,307	10,470,121	6,516,883	6,199,662
Total net assets		11,274,307	10,470,121	6,516,883	6,199,662
Funds:					
Restricted income funds	25	336,852	171,541	173,699	74,600
Unrestricted income funds:					
Designated funds		27,760	21,474	23,467	19,667
Revaluation reserve		1,098,848	849,455	27,867	27,867
General funds		9,810,847	9,427,651	6,291,850	6,077,528
		10,937,455	10,298,580	6,343,184	6,125,062
Total unrestricted funds		11,274,307	10,470,121	6,516,883	6,199,662
Total funds		11,274,307	10,470,121	6,516,883	6,199,662

Approved by the trustees on 12 December, 2019 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 2019

	Note	£	2019 £	Restated 2018 £
Net cash provided by / (used in) operating activities	26		(952,819)	918,012
Cash flows from investing activities:				
Proceeds from the sale of fixed assets		8,049	285,021	
Proceeds from sale of investment properties		529,067	865,852	
Purchase of fixed assets		(621,295)	(271,332)	
Purchase of investments		(161,368)	-	
Interest received		19,349	8,794	
Payments to acquire investment properties		(244,569)	2,932	
			(470,767)	891,267
Cash flows from financing activities:				
Repayments of borrowing		(1,318,121)	(422,378)	
Receipts from issue of new bonds		2,454,500	2,545,500	
Receipts from issue of new loans		-	329,454	
Receipts from new finance lease contracts		194,304	78,000	
Repayments of obligations under a finance lease		(87,528)	(20,178)	
Interest paid		(427,236)	(209,904)	
Net cash provided by / (used in) financing activities			815,919	2,300,494
Change in cash and cash equivalents in the year			(607,667)	4,109,773
Cash and cash equivalents at the beginning of the year			4,407,497	297,724
Cash and cash equivalents at the end of the year	27		3,799,830	4,407,497

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 2019

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 2019

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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1 Accounting policies (continued)

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.

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.

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Debtors

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

p) 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.

q) Short term deposits

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

r) 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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1 Accounting policies (continued)

s) 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.

t) Financial instruments

The charitable group 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 parent 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.

u) Pensions

Defined benefit multi-employer schemes

Tera 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.

Tera Trust participates in The Pensions Trust Social Housing Pension Scheme (DB) and Tera East, Tera East Anglia, Tera East Midlands, Tera North, Tera South Midlands, Tera 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 (Tera Trust, Tera North, Tera East, Tera East Anglia, Tera East Midlands, Tera (Scotland), Tera South Midlands, Tera 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.

Tera 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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

u) Pensions (continued)

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.

Equal Futures and Aspire Living Limited participate in the government's NEST pension scheme. 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.

From the 1st January 2019, The Camden Society, The Camden Society (London) and Unity Works Social Enterprises began to participate in The People's Pension Fund. 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.

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.

v) Parent charity and financial support

An Intra-Group Agreement exists between Thera Trust and twenty six 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 trustees of the charitable company make 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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

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 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 at 31 March, 2019, over a portfolio of 57 properties. These are by way of a 20 year, renewable lease, with the start date being the date of purchase (the earliest dates commencing in 2015) 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.

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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

Provisions (continued)

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.

3 Income from donations and grants

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
Donations	35,211	-	35,211	14,710	18,842	33,552
Grants:						
The Big Lottery Fund and the EU social fund	-	-	-	-	32,098	32,098
Leicester County Council	-	-	-	-	1,022	1,022
Scottish Government	-	67,600	67,600	-	64,000	64,000
Scottish Government Pilot Project/TEN Project	-	35,563	35,563	-	27,485	27,485
The Big Lottery Fund	-	129,621	129,621	106,949	-	106,949
Greenwich Work Train	-	146,249	146,249	-	-	-
Islington Pro-Work	-	15,261	15,261	-	-	-
Building Bridges	-	50,646	50,646	-	-	-
Gig Buddies	-	50,105	50,105	-	-	-
Workforce development fund	-	41,895	41,895	-	-	-
John Lyons Pro Works	-	32,000	32,000	-	-	-
Tudor Trust	-	15,000	15,000	-	-	-
Apprenticeship levy	-	-	-	-	-	-
Government Grant	-	43,860	43,860	-	-	-
Other	189,890	40,067	229,957	450,737	87,924	538,661
	<u>225,101</u>	<u>667,867</u>	<u>892,968</u>	<u>572,396</u>	<u>231,371</u>	<u>803,767</u>
Leased investment properties at donated value	100,495	-	100,495	506,300	-	506,300
	<u>325,596</u>	<u>667,867</u>	<u>993,463</u>	<u>1,078,696</u>	<u>231,371</u>	<u>1,310,067</u>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 £1,099,872 (2018 - £847,015).

	2019 Total £	2018 Total £
East Anglia	10,900,186	10,090,806
East	12,502,376	12,269,441
East Midlands	9,945,561	10,295,597
West	6,361,301	5,862,842
South Midlands	6,856,042	7,446,976
South West	7,774,014	6,634,813
North	5,506,702	4,787,991
Scotland	3,411,916	2,967,312
London	3,979,235	4,282,111
Other	728,395	400,773
Supporting people with a learning disability	67,965,728	65,038,662
 Rental income	 996,020	 847,015
 Income from charitable activities	 68,961,748	 65,885,677

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2019 £	2018 £
Operating lease rentals:		
- motor vehicles	323,973	314,895
- land and buildings	1,302,636	1,101,461
External auditors remuneration (excluding VAT):		
Audit	157,810	118,500
Other services	51,157	22,500
Audit- In respect of the prior year	32,886	48,000
Other services - In respect of the prior year	12,350	47,662
Internal auditors remuneration (excluding VAT)	3,150	36,959
Depreciation of owned assets	349,317	407,942
Amortisation of goodwill	7,259	94,874
(Surplus)/Losses on disposal:		
Fixed Assets	(21,343)	8,800
Property held for sale	-	(5,171)
Investment properties	19,777	109,148

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

6 Total expenditure

The group	2019			Restated 2018		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Raising funds						
Fundraising and publicity	58,845	-	58,845	82,163	-	82,163
	<u>58,845</u>	<u>-</u>	<u>58,845</u>	<u>82,163</u>	<u>-</u>	<u>82,163</u>
Direct costs of supporting						
Staff and agency costs	54,367,889	233,895	54,601,784	51,090,331	-	51,090,331
Property costs	2,000,667	-	2,000,667	1,831,345	-	1,831,345
Other direct costs	3,083,774	263,212	3,346,986	3,105,859	215,346	3,321,205
Support costs (below)	8,575,161	-	8,575,161	8,936,477	-	8,936,477
Governance costs (below)	466,680	-	466,680	445,518	-	445,518
	<u>68,494,171</u>	<u>497,107</u>	<u>68,991,278</u>	<u>65,409,530</u>	<u>215,346</u>	<u>65,624,876</u>
Support costs						
Staff and agency costs	4,224,188	-	4,224,188	4,827,859	-	4,827,859
Net operating cost of defined benefit pension scheme	27,000	-	27,000	44,000	-	44,000
Property costs	977,879	-	977,879	658,043	-	658,043
Depreciation, amortisation	356,577	-	356,577	502,816	-	502,816
Other support costs	2,989,517	-	2,989,517	2,903,759	-	2,903,759
	<u>8,575,161</u>	<u>-</u>	<u>8,575,161</u>	<u>8,936,477</u>	<u>-</u>	<u>8,936,477</u>
Governance						
Staff costs	86,315	-	86,315	54,813	-	54,813
Legal and professional	371,416	-	371,416	384,112	-	384,112
Other	8,949	-	8,949	6,593	-	6,593
	<u>466,680</u>	<u>-</u>	<u>466,680</u>	<u>445,518</u>	<u>-</u>	<u>445,518</u>

Exceptional costs of £428,616 (2018 - £309,030) have been incurred in 2019, £288,966 (2018 - £246,082) for employment costs in relation to restructuring, £70,933 (2018: £nil) for the loss on disposal of an investment property, £23,576 (2018: £nil) for the start up and closure costs of Social Enterprise cafes and £45,141 (2018 £nil) in relation to energy billing omissions.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 £	2019 Total £
Mrs K Boyce-Dawson	98,529	9,345	14,720	122,594
Mr S Conway	113,356	8,057	11,800	133,213
Ms J Garrigan	121,649	5,596	11,810	139,055
Mr M Smith	41,026	3,803	1,231	46,060
	374,560	26,801	39,561	440,922

	Total remuneration £	Expenses £	Pension £	2018 Total £
Mrs K Boyce-Dawson	100,000	11,661	15,000	126,661
Mr S Conway	112,576	9,526	11,801	133,903
Ms J Garrigan	103,718	7,010	11,800	122,528
Mr M Smith	40,527	4,738	1,216	46,481
	356,821	32,935	39,817	429,573

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 (2018 - 4) Directors in respect of a defined contribution scheme.

During the period 11 Trustees (2018 - 10) received reimbursed expenses relating to travel and accommodation amounting to £41,100 (2018 - £37,663). 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 £121,649 (2018 - £112,576) (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 £11,810 (2018 - £11,801).

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

Staff costs were as follows:

	2019 £	Restated 2018 £
Salaries and wages	52,487,640	50,467,398
Redundancy and termination costs	83,998	205,143
Social security costs	3,851,691	3,755,948
Employer's contribution to defined contribution pension schemes	702,455	475,121
Employer's contribution to defined benefit pension schemes	515,023	458,333
Operating cost of defined benefit pension schemes	27,000	44,000
	57,667,807	55,405,943

THERA TRUST

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for the year ended 31 March 2019

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

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

	2019 No.	2018 No.
£60,000 - £69,999	6	8
£70,000 - £79,999	6	-
	<u>6</u>	<u>-</u>

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 £459,502 (2018 - £440,199).

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 3,312 (2018 - 3,143).

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

	2019 No.	2018 No.
Direct and relief support work	3,200	3,062
Management and administration	86	81
	<u>3,286</u>	<u>3,143</u>

10 Related party transactions

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

Balances due to and from group undertakings are also disclosed in notes 16 and 22.

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:

	2019 £	2018 £
Management charges from Thera Trust to subsidiary undertakings	7,291,000	7,137,000
Donations under gift aid from subsidiary undertakings to Thera Trust	1,319,202	1,072,217
Social investment grants from Thera Trust to Dosh, The Quality Company, Equal Futures, Thera East Anglia and The Camden Society	1,049,996	205,000
	<u>1,049,996</u>	<u>205,000</u>

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 £5,346 (2018 - £20,925).

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

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

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.

12 Intangible fixed assets

Goodwill

The group

	Goodwill £	Total £
Cost		
At the start of the year	653,868	653,868
Additions in year	-	-
Disposals in year	(40,000)	(40,000)
	<u>613,868</u>	<u>613,868</u>
At the end of the year		
Amortisation		
At the start of the year	216,901	216,901
Charge for the year	7,259	7,259
Eliminated on disposal	(40,000)	(40,000)
	<u>184,160</u>	<u>184,160</u>
At the end of the year		
Net book value		
At the end of the year	<u>429,708</u>	<u>429,708</u>
At the start of the year	<u>436,967</u>	<u>436,967</u>

The charity

	Goodwill £	Total £
Cost		
At the start of the year	613,868	613,868
Additions in year	-	-
Disposals in year	-	-
	<u>613,868</u>	<u>613,868</u>
At the end of the year		
Amortisation		
At the start of the year	176,901	176,901
Charge for the year	7,259	7,259
	<u>184,160</u>	<u>184,160</u>
At the end of the year		
Net book value		
At the end of the year	<u>429,708</u>	<u>429,708</u>
At the start of the year	<u>436,967</u>	<u>436,967</u>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

13 Tangible fixed assets

The group	Leasehold property and improvements £	Freehold land and property £	Fixtures and fittings and equipment £	Total £
Cost or revaluation				
At the start of the year	747,263	1,350,000	2,816,245	4,913,508
Additions in year	-	-	621,295	621,295
Disposals in year	-	-	(141,759)	(141,759)
At the end of the year	747,263	1,350,000	3,295,781	5,393,044
Depreciation				
At the start of the year	302,342	-	2,167,526	2,469,868
Charge for the year	46,679	21,300	281,338	349,317
Eliminated on disposal	-	-	(135,276)	(135,276)
At the end of the year	349,021	21,300	2,313,588	2,683,909
Net book value				
At the end of the year	398,242	1,328,700	982,193	2,709,135
At the start of the year	444,921	1,350,000	648,719	2,443,640

The charity	Freehold land and property £	Fixtures and fittings and equipment £	Total £
Cost or revaluation			
At the start of the year	600,000	2,334,167	2,934,167
Additions in year	-	482,228	482,228
At the end of the year	600,000	2,816,395	3,416,395
Depreciation			
At the start of the year	-	1,792,845	1,792,845
Charge for the year	9,000	192,217	201,217
At the end of the year	9,000	1,985,062	1,994,062
At the end of the year	591,000	831,333	1,422,333
At the start of the year	600,000	541,322	1,141,322

Included above is freehold land with an assessed value of £150,000 (2018: £117,500). This value has been reassessed in the year for depreciation purposes, as this element is not depreciated in the accounts.

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

	Freehold land and property £	2019 £	2018 £
Cost	1,639,651	1,639,651	1,639,651
Accumulated depreciation	(516,298)	(516,298)	(537,598)
At the end of the year	1,123,353	1,123,353	1,102,053

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

14 Investment properties

	Owned £	Group Leased £	2019 £	Charity 2019 £
Fair value at the start of the year	4,017,000	3,101,385	7,118,385	-
Additions including donations	244,570	100,494	345,064	-
Disposals	(600,000)	-	(600,000)	-
Revaluation during the year	-	263,648	263,648	-
Fair value at the end of the year	3,661,570	3,465,527	7,127,097	-

	Owned £	Group Leased £	2018 £	Charity 2018 £
Fair value at the start of the year	5,334,369	2,210,010	7,544,379	-
Additions including donations	(2,931)	506,300	503,369	-
Disposals	(975,000)	-	(975,000)	-
Revaluation during the year	(339,438)	385,075	45,637	-
Fair value at the end of the year	4,017,000	3,101,385	7,118,385	-

In 2018, the trustees had been provided with 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 was at market value as at 31st March, 2018. The valuation was 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. The trustees do not consider any further revaluation necessary at 31st March, 2019 because there has been no fundamental change in rental flows on the properties however a professional revaluation will be taken at 31 March 2021.

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

The charity - Controlled subsidiary undertakings

	Charity 2019 £	2018 £
Cost of investment in Folegandros (formally known as Ansar Projects Ltd)	303,942	303,942

Thera Trust holds an investment in Ansar Projects. During the year, the directors and senior management team of Ansar Projects considered the corporate status of the company. They decided that a not-for profit structure was more appropriate to the organisation's activities. Consequently, the directors agreed to transfer in their entirety the activities of the company to a new company to be named Ansar Projects (company number 11904307), with the existing company being renamed as Folegandros Limited. Once the outstanding debts of the company have been collected and creditors settled, it is the intention of directors for any remaining assets to be transferred to the new Ansar Projects and to apply for the company to be struck off the register of companies.

Full details of the subsidiary Folegandros are detailed in the table below.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

15 Investments (continued)

Group - 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 East Midlands Trading Limited	England and Wales	Limited by guarantee	10695501	
Tera North	England and Wales	Limited by guarantee	05343088	
Tera North Trading Limited	England and Wales	Limited by guarantee	10695651	
Tera South Midlands	England and Wales	Limited by guarantee	08667106	
Tera South Midlands Trading Limited	England and Wales	Limited by guarantee	10695744	
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
Folegandros Limited (formerly Ansar Projects Limited)	England and Wales	Limited company	07191526	
Tera West	England and Wales	Limited by guarantee	05852926	
Unity Works Social Enterprises limited	England and Wales	Limited by guarantee	11338498	1185113
The Camden Society (London) Limited	England and Wales	Limited by guarantee	11484012	
Tera Limited *	England and Wales	Limited by guarantee	04999446	
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 South West Trading Limited *	England and Wales	Limited by guarantee	10695690	

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NOTES TO THE FINANCIAL STATEMENTS
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15 Investments

Controlled subsidiary undertakings (continued)

Company	Country of registration or incorporation	Company	Charity
Thera (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
Ansar Projects Limited*	England and Wales	Limited by guarantee	11904307

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

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

- Equal Futures - Hayweight House, Lauriston Street, Edinburgh, Scotland, EH3 9DQ
- Thera Scotland and Thera (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.

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 £
Thera East Anglia	10,961,162	(10,436,543)	524,619	(524,619)
Thera East	12,537,231	(12,181,808)	355,423	(355,423)
Thera East Midlands	9,788,653	(9,733,442)	55,211	(55,211)
Thera East Midlands Trading	7,568,332	(7,568,332)	-	-
Thera North	3,713,826	(3,704,891)	8,935	-
Thera North Trading	377,979	(377,979)	-	-
Thera West	7,903	-	7,903	(7,903)
Thera South Midlands	2,242,114	(2,322,630)	(80,516)	-
Thera South Midlands Trading	395,284	(395,284)	-	-
Thera (Scotland)	3,411,916	(3,303,217)	108,699	-
Thera South West	7,806,971	(7,601,996)	204,975	(204,975)
Dosh Limited	648,919	(690,505)	(41,586)	-
The Quality Company Limited	240,472	(215,636)	24,836	(24,836)
Forward Housing SW	1,372,713	(1,550,428)	(177,715)	-
The Camden Society	10,334,541	(9,822,062)	512,479	-
Equal Futures	134,523	(121,044)	13,479	-
Aspire Living Limited	6,447,888	(6,373,332)	74,556	-
Folegandros (formerly Ansar Projects Limited)	1,788,274	(1,723,297)	64,977	(64,977)
Unity Works Social Enterprises limited	418,556	(613,571)	(195,015)	-
The Camden Society (London) Limited	817,582	(736,323)	81,259	(81,259)

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

15 Investments (continued)

	Assets £	Liabilities £	Capital and reserves £
Thera East Anglia	809,599	(809,599)	-
Thera East	2,355,562	(2,355,562)	-
Thera East Midlands	581,740	(581,740)	-
Thera East Midlands Trading	550,066	(550,066)	-
Thera North	581,689	(1,035,636)	(453,947)
Thera North Trading	15,289	(15,289)	-
Thera West	172,271	(10,865)	161,406
Thera South Midlands	252,652	(252,652)	-
Thera South Midlands Trading	19,252	(19,252)	-
Thera (Scotland)	567,485	(1,332,568)	(765,083)
Thera South West	1,607,118	(1,607,118)	-
Dosh Limited	295,239	(1,066,293)	(771,054)
The Quality Company Limited	16,465	(16,465)	-
Forward Housing SW	7,081,709	(2,438,307)	4,643,402
Uemploy Limited	-	(105,887)	(105,887)
The Camden Society	2,124,067	(1,826,608)	297,459
Equal Futures	58,079	(2,931)	55,148
Aspire Living Limited	2,545,821	(357,741)	2,188,080
Folegandros (formerly Ansar Projects Limited)	479,203	(472,347)	6,856
Unity Works Social Enterprises limited	52,932	(247,947)	(195,015)
The Camden Society (London) Limited	156,881	(156,881)	-

Joint Venture

Thera 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.

There was no cost of investment to Thera South West as DCCL was a company limited by guarantee. It was incorporated in England and Wales. The venture was dissolved on 17 April 2018.

16 Parent charity

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

	2019 £	Restated 2018 £
Gross income	9,351,029	8,538,712
Total expenditure on charitable activities	(8,053,096)	(6,754,561)
Costs of generating funds	(558,749)	(304,517)
Governance costs	(466,680)	(445,518)
Remeasurement loss on defined benefit pension scheme	44,717	572,884
Net gain on fixed assets	-	27,867
Net income	317,221	1,634,867
Total funds brought forward	6,199,662	4,564,795
Total funds	6,516,883	6,199,662

Gross income is inclusive of donations made under gift aid of £1,319,203 (2018 - £1,072,217) from its subsidiaries, as detailed in note 15.

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
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17 Debtors

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Due after more than one year				
Amounts owed from group undertakings	-	-	11,813,307	10,521,553
Due within one year				
Operational debtors	4,192,911	4,255,425	66,771	81,973
Other debtors	789,598	597,504	27,265	11,003
Prepayments and accrued income	6,617,710	4,663,680	857,062	377,500
	11,600,219	9,516,609	12,764,405	10,992,029

18 Cash at bank

At the balance sheet date, Dosh Limited acting as appointee, court approved deputy or other approved representative, held funds on behalf of people with a learning disability supported by Dosh Limited in a separate general account amounting to £37,860 (2018: £210,863) and in individual accounts amounting to £10,467,087 (2018: £7,771,348). These funds have not been included as assets or liabilities of the company.

19 Creditors: amounts falling due within one year

	Group		Charity	
	2019	Restated 2018	2019	Restated 2018
	£	£	£	£
Overdraft and bank loans	550,201	768,455	550,201	768,455
Other loans	42,263	1,001,804	-	960,054
Amounts due under finance leases	67,722	91,808	67,722	91,808
Operational creditors	1,041,909	849,221	557,854	451,030
Taxation and social security	1,710,323	1,500,578	631,813	467,579
Other creditors	913,967	1,319,966	377,306	255,924
Accruals and deferred income	1,829,015	1,857,531	261,994	330,345
	6,155,400	7,389,363	2,446,890	3,325,195

20 Deferred income

Deferred income comprises payments in advance of services.

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	283,975	204,087	49,009	31,671
Amount released to income in the year	(283,975)	(204,087)	(49,009)	(31,671)
Amount deferred in the year	50,517	283,975	-	49,009
Balance at the end of the year	50,517	283,975	-	49,009

21 Net current assets

	The Camden Society	Other	Group
	£	£	£
Debtors	1,399,314	10,200,905	11,600,219
Cash at bank and in hand	130,170	4,088,704	4,218,874
Creditors: amounts falling due within one year	(653,414)	(5,501,986)	(6,155,400)
Net assets at 31 March 2019	876,070	8,787,623	9,663,693

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

THERA TRUST
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for the year ended 31 March 2019

22 Creditors: amounts falling due after one year

	Group		Charity	
	2019	Restated 2018	2019	Restated 2018
	£	£	£	£
Bank loans	1,112,138	1,243,190	1,112,138	1,243,190
Other loans	6,840,719	4,486,834	6,820,517	4,422,194
Amounts due under finance leases	174,837	43,975	174,837	43,975
Amounts due to group undertakings	-	-	986,762	907,421
	8,127,694	5,773,999	9,094,254	6,616,780

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Analysis of loans				
Total loans repayable	8,126,277	6,989,898	8,063,812	6,883,508
Included in current liabilities	(173,420)	(1,259,874)	(131,157)	(1,218,124)
	7,952,857	5,730,024	7,932,655	5,665,384

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Loan maturity analysis				
Within one year	173,420	1,259,874	131,157	1,218,124
Two - five years	7,952,857	3,130,488	7,932,655	3,074,946
In more than five years	-	2,599,536	-	2,590,438
	8,126,277	6,989,898	8,063,812	6,883,508

Within bank loans is a Bank of Scotland loan with a current balance of £0.2m 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 term loan with a current balance of £1.05m, 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 was a Barclays £0.2m term loan which is secured by a first legal charge over three Group properties. This was repaid in August 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. 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.

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for the year ended 31 March 2019

23 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 £20,484 (2018 - £20,188). The amount outstanding in respect of employer and employee contributions for this Scheme at the year end was £Nil (2018 - £Nil).

As at the balance sheet date there were 6 (2018 - 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 £91,305 (2018 - £103,604). As at the balance sheet date there were 20 (2018 - 24) active members of the Scheme employed by the Society. The amount outstanding in respect of this Scheme at the year-end was £3,758 (2018 - £10,628).

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 £87,003 (2018 - £79,530). The amount outstanding in respect of employer and employee contributions for this Scheme at the year-end was £9,052 (2018 - £9,571).

As at the balance sheet date there were 24 (2018 - 26) 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 2019

23 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 £185,073 (2018 - £250,579). The amount outstanding at 31 March, 2018 was £Nil (2018 - £2,278).

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

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the Financial Reporting Manual (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 is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as at 31 March 2018, updated as at 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, 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 report of the scheme actuary, which forms part of the annual NHS Pension Scheme 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 as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgement from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

23 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 £15,906 (2018 - £23,131). As at the balance sheet date there were Nil (2018 - 7) active members of the Scheme employed by the Society. The amount outstanding in respect of this Scheme at the year-end was £Nil (2018 - £2,458).

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 £480,696 (2018 - £257,962). The amount outstanding in respect of the Fund at the year end was £5,090 (2018 - £6,636).

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 £66,018 (2018 - £30,777). The amount outstanding in respect of this scheme at the year-end was £Nil (2018 - £6,004).

Clerical Medical pension scheme

Aspire Living Limited participates in the Clerical Medical Pension Scheme which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £12,906 (2018 - £24,795). The amount outstanding in respect of this scheme at the year-end was £nil (2018- £nil).

Social Housing Pension Scheme - defined contribution

Aspire Living Limited participates in The Pension's Trust Social Housing Pension Scheme (TPT SHPS) which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £20,318 (2018 - £14,859). The amount outstanding in respect of this Scheme at the year-end was £nil (2018 - £2,295).

Thera Trust participates in the Social Housing Pension Scheme (DB/DC 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 £198,059 (2018 - £191,851) which included £115,252 (2018 - £110,825) of past service deficit contributions. At the year end, £166 (2018 - £2,675) was outstanding in respect of the Scheme.

As at the balance sheet date there were 113 (2018 - 101) active members of the Scheme employed by Thera Trust.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

23 Pension schemes (continued)

Social Housing Pension Scheme - defined benefit

Tera Trust participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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 last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026. 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.

For financial years ending on or before 28 February 2019, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme. For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2017. The liability figure from the September 2017 valuation has been rolled backwards to the relevant accounting date of 1 April 2017. The actuarial valuations at both dates are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates.

The accounting guidance provided by the relevant regulatory bodies involved in this change proposed that the impact of moving from defined contribution accounting to defined benefit accounting should be shown within the current financial year. However, Tera Trust have decided to carry out a prior year adjustment with the date of transition being 1 April 2017, using estimated figures where these are not available from the Scheme itself. In particular, this is intended to illustrate the material impact on Tera's net liabilities of employee withdrawals from the Scheme during the transition period.

Following consultation between the Pension Trustees and Employers, a new recovery plan to recover the overall scheme deficit has been agreed. This is based on a full share of liabilities approach. This is effective from 1 April, 2019

The number of members of the scheme are set out below.

The data as at 31 March 2019 and 31 March 2018 in respect of the prior year adjustment has been calculated using a modeller provided by The Pensions Trust. Certain key assumptions, such as projected earnings increases have been set within this modeller to bring them into line with the expectations of the organisation. These are set out below

Number of active members in the scheme

	2019	2018
	No.	No.
Active	3	3
Deferred	34	34
Pensioners	8	8

Financial assumptions

	2019	2018
	% pa	% pa
Rate of discount	2.66	2.90
Price inflation (RPI)	3.24	3.13
Price inflation (CPI)	2.24	2.13
Earnings increases	2.24	2.13
Allowance for commutation of pension for cash at retirement	75%	75%

Other material assumptions

	years	years
Life expectancies in retirement:		
Male currently aged 65	21.80	21.70
Female currently aged 65	23.50	23.45
Male currently aged 45	23.20	23.11
Female currently aged 45	24.70	24.66

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NOTES TO THE FINANCIAL STATEMENTS
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23 Pension schemes (continued)

Present Values of Defined Benefit Obligation, Fair Value of Assets and Defined Benefit Asset / (Liability)

	2019 £'000	2018 £'000
Fair value of plan assets	2,404	2,233
Present value of defined benefit obligation	(3,093)	(3,033)
Surplus / (deficit) in plan	(689)	(800)
Unrecognised surplus	-	-
Defined benefit asset /(liability) to be recognised	(689)	(800)
Deferred tax	-	-
Net defined benefit / (liability) to be recognised	<u>(689)</u>	<u>(800)</u>

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	2019 £'000	2018 £'000
Opening fair value of employer assets	2,233	3,607
Interest income	66	77
Experience on plan assets	5	318
Contributions by the employer	120	111
Withdrawals by Employees	-	(1,860)
Benefits paid and expenses	(20)	(20)
Closing fair value of employer assets	<u>2,404</u>	<u>2,233</u>

Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

	2019 £'000	2018 £'000
Opening defined benefit obligation	3,033	5,047
Current service cost	-	-
Expenses	5	5
Interest cost	88	116
Contributions by members	-	-
Withdrawals by Employees	-	(2,113)
Actuarial losses / (gains)	(13)	(2)
Benefits paid and expenses	(20)	(20)
Closing defined benefit obligation	<u>3,093</u>	<u>3,033</u>

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
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23 Pension schemes (continued)

Defined Benefit Costs Recognised in the Statement of Financial Activities (SOFA)

	2019 £'000	2018 £'000
Current service cost	-	-
Expenses	5	5
Net interest expense	22	39
	<u>27</u>	<u>44</u>
Defined benefit costs recognised in the SOFA		
	<u>71</u>	<u>66</u>

Fair value of employer assets

	2019 £'000	2018 £'000
Global Equity	404	441
Absolute Return	208	272
Distressed Opportunities	44	22
Credit Relative Value	44	-
Alternative Risk Premia	139	85
Fund of Hedge Funds	11	73
Emerging Markets Debt	83	90
Risk Sharing	73	21
Insurance-Linked Securities	69	59
Property	54	103
Infrastructure	126	57
Private Debt	32	20
Corporate Bond Fund	112	92
Long Lease Property	35	-
Secured income	86	83
Over 15 Year Gilts	-	-
Liability Drive Investment	879	813
Net Current Assets	5	2
	<u>2,404</u>	<u>2,233</u>

FRS102 pension liability reconciliation 2019

	Assets £'000	Liabilities £'000	Total £'000
Brought forward	2,233	(3,033)	(800)
Actuarial gains/(losses)	-	13	13
Expenses	-	(5)	(5)
Experience on Plan Assets	5	-	5
Interest	66	(88)	(22)
Contributions in - e'ee (participants)	-	-	-
Contributions in - e'er	120	-	120
Benefits out	(20)	20	-
At year end	2,404	(3,093)	(689)
Net change in scheme surplus/(deficit)			111
Net current service cost / expense in SoFA			(27)

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

23 Pension schemes (continued)

FRS102 pension liability reconciliation 2018

	Assets £'000	Liabilities £'000	Total £'000
Brought forward	3,607	(5,047)	(1,440)
Actuarial gains/(losses)	-	2	2
Expenses	-	(5)	(5)
Experience on Plan Assets	318	-	318
Interest	77	(116)	(39)
Contributions in - e'ee (participants)	-	-	-
Contributions in - e'er	111	-	111
Withdrawals by Employees	(1,860)	2,113	253
Benefits out	(20)	20	-
At year end	2,233	(3,033)	(800)
Net change in scheme surplus/(deficit)			640
Net current service cost / expense in SoFA			(44)

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 (2018 - £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 £27,706 (2018 - £40,435). As at the balance sheet date there were 2 active members of the Scheme employed by the Society (2018 - 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 £Nil (2018 - £5,676).

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 £75,306 (2018 - £45,704). At the balance sheet date there were 51 (2018 - 330) active members of the scheme. The amount outstanding in respect of this Scheme at the year-end was £716 (2018 - £6,053).

The People's Pension Scheme

From the 1st January 2019, The Camden Society, The Camden Society (London) and Unity Works Social Enterprises began to participate in The People's Pension Fund, which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £27,673. The amount outstanding in respect of this Scheme at the year-end was £Nil. At the balance sheet date there were 377 active members of the scheme employed by the society.

THERA TRUST
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24a Analysis of group net assets between funds (current year)

	General unrestricted £	Revaluation reserve £	Designated funds £	Restricted funds £	Total funds £
Intangible fixed assets	429,708	-	-	-	429,708
Tangible fixed assets	2,221,837	487,298	-	-	2,709,135
Investment properties owned	3,698,743	(37,173)	-	-	3,661,570
Investment properties leased	2,816,804	648,723	-	-	3,465,527
Investments	161,368	-	-	-	161,368
Net current assets	9,299,081	-	27,760	336,852	9,663,693
Long term liabilities	(8,127,694)	-	-	-	(8,127,694)
Defined benefit pension scheme liability	(689,000)	-	-	-	(689,000)
Net assets at 31 March 2019	9,810,847	1,098,848	27,760	336,852	11,274,307

24b Analysis of restated group net assets between funds (prior year - restated)

	General unrestricted £	Revaluation reserve £	Designated funds £	Restricted funds £	Total funds £
Intangible fixed assets	436,967	-	-	-	436,967
Tangible fixed assets	1,942,087	501,553	-	-	2,443,640
Investment properties owned	4,054,173	(37,173)	-	-	4,017,000
Investment properties leased	2,716,310	385,075	-	-	3,101,385
Net current assets	6,852,113	-	21,474	171,541	7,045,128
Long term liabilities	(5,773,999)	-	-	-	(5,773,999)
Defined benefit pension scheme liability	(800,000)	-	-	-	(800,000)
Net assets at 31 March 2018	9,427,651	849,455	21,474	171,541	10,470,121

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

25a Movements in funds (current year)

	Restated At 1 April 2018 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2019 £
Restricted funds:					
Support for MS TE	2,356	-	-	-	2,356
Loughborough sensory room and garden	893	243	(359)	-	777
Other property-specific projects	30,533	7,957	(4,646)	-	33,844
The Hollies fund	2,663	-	-	-	2,663
L and D generic training	8,914	-	-	-	8,914
Workforce development fund	-	41,895	(41,895)	-	-
Holiday support fund	3,577	-	(2,600)	-	977
Horse riding, Boston	35	-	-	-	35
National Loan Guarantee Scheme	5,673	-	-	(5,673)	-
Innovation Bursary Safe and Secure	(1,002)	-	-	-	(1,002)
Sawston Hydrotherapy Pool	972	1,290	(496)	-	1,766
Clacton Beach Hut	2,772	860	(2,924)	-	708
Gig buddies	4,949	50,105	(41,016)	-	14,038
TEN project	-	22,563	(16,816)	-	5,747
Building Bridges	11,618	50,646	(54,260)	-	8,004
Allsorts	514	-	(161)	-	353
Grantham	54	-	-	-	54
Scottish NVQ	-	45,600	(322)	-	45,278
Natwest Project (DOSH)	-	9,990	(4,742)	-	5,248
Happy Snapper	79	-	-	-	79
Apprenticeship levy - Government Grant	-	43,860	-	-	43,860
Total restricted funds	74,600	275,009	(170,237)	(5,673)	173,699
Unrestricted funds:					
Designated development fund	19,667	-	(6,200)	10,000	23,467
Designated funds	19,667	-	(6,200)	10,000	23,467
Revaluation reserve	27,867	-	-	-	27,867
Unrestricted LGS Grant income transfer	42,013	-	-	(42,013)	-
Pension reserve	(800,000)	111,000	-	-	(689,000)
General funds	6,835,515	8,965,020	(8,857,371)	37,686	6,980,850
General funds	6,077,528	9,076,020	(8,857,371)	(4,327)	6,291,850
Total unrestricted funds	6,125,062	9,076,020	(8,863,571)	5,673	6,343,184
Parent charity total funds as at 31 March 2019	6,199,662	9,351,029	(9,033,808)	-	6,516,883

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

25a Movements in funds (current year continued)

	Restated At 1 April 2018 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2019 £
Charity total fund balance carried forward	6,199,662	9,351,029	(9,033,808)	-	6,516,883
Restricted funds:					
Dolphins Den	6	-	-	-	6
Scottish Government	6,213	22,000	(28,213)	-	-
Scottish Government (Pilot Project)	9,863	13,000	(12,655)	-	10,208
Scottish Government - E-Book	2,328	-	(2,328)	-	-
Tudor Trust	5,000	15,000	(14,377)	(623)	5,000
Kennyhill Bequest	3,000	3,000	(1,980)	-	4,020
Equal Futures Memberships	1,520	3,344	(4,105)	847	1,606
Corra Foundation	-	5,000	(3,333)	-	1,667
Stafford Trust	-	2,500	(1,458)	-	1,042
Big Lottery Fund	-	129,621	(85,145)	-	44,476
John Lyons Pro-Work	-	32,000	(34,960)	-	(2,960)
Greenwich Work Train	-	146,249	(111,503)	-	34,746
Islington Pro-Work	-	15,261	(14,263)	-	998
Markyes Close	69,011	-	(6,667)	-	62,344
Building Better Opportunities	-	5,883	(5,883)	-	-
Total restricted funds	96,941	392,858	(326,870)	224	163,153
Unrestricted funds:					
Designated funds:					
Circle of Support	1,807	-	-	(847)	960
Baily Thomas	-	10,000	(6,667)	-	3,333
Total designated funds	1,807	10,000	(6,667)	(847)	4,293
Revaluation reserve	821,588	263,648	-	(14,255)	1,070,981
General funds	3,350,123	60,265,390	(60,111,394)	14,878	3,518,997
Total unrestricted funds	4,173,518	60,539,038	(60,118,061)	(224)	4,594,271
Group total funds as at 31 March 2019	10,470,121	70,282,925	(69,478,739)	-	11,274,307

	Restated At 1 April 2018 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2019 £
Reconciled to:					
Unrestricted funds	9,427,651	69,341,410	(68,968,765)	10,551	9,810,847
Revaluation	849,455	263,648	-	(14,255)	1,098,848
Designation funds	21,474	10,000	(12,867)	9,153	27,760
Restricted funds	171,541	667,867	(497,107)	(5,449)	336,852
Group total funds as at 31 March 2019	10,470,121	70,282,925	(69,478,739)	-	11,274,307

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 2019

25b Movements in funds (prior year)

	Restated At 1 April 2017 £	Income and gains £	Expenditure and losses £	Transfers £	Restated At 31 March 2018 £
Restricted funds:					
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
Total restricted funds	48,575	93,306	(66,621)	(660)	74,600
Unrestricted funds:					
Designated development fund	9,667	-	-	10,000	19,667
Designated funds	9,667	-	-	10,000	19,667
Revaluation reserve	-	27,867	-	-	27,867
Unrestricted LGS Grant income transfer	41,353	-	-	660	42,013
Pension reserve	(1,440,000)	640,000	-	-	(800,000)
General funds	5,923,200	8,445,406	(7,411,975)	(121,116)	6,835,515
General funds	4,524,553	9,085,406	(7,411,975)	(120,456)	6,077,528
Total unrestricted funds	4,534,220	9,113,273	(7,411,975)	(110,456)	6,125,062
Parent charity total funds as at 31 March 2018	4,582,795	9,206,579	(7,478,596)	(111,116)	6,199,662

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

25b Movements in funds (prior year continued)

	Restated At 1 April 2017 £	Income and gains £	Expenditure and losses £	Transfers £	Restated At 31 March 2018 £
Charity total fund balance carried forward	4,582,795	9,206,579	(7,478,596)	(111,116)	6,199,662
Restricted funds:					
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
Total restricted funds	107,601	138,065	(148,725)	-	96,941
Unrestricted funds:					
Designated funds:					
Circle of Support	-	1,807	-	-	1,807
Fixed Asset Fund	-	-	-	-	-
Meet the Dragons	300	-	(300)	-	-
Total designated funds	300	1,807	(300)	-	1,807
Revaluation reserve	667,015	265,717	-	(111,144)	821,588
General funds	3,057,473	58,525,954	(58,344,448)	111,144	3,350,123
Total unrestricted funds	3,724,788	58,793,478	(58,344,748)	-	4,173,518
Group total funds as at 31 March 2018	8,415,184	68,138,122	(65,972,069)	(111,116)	10,470,121
	Restated At 1 April 2017 £	Income & gains £	Expenditure & losses £	Transfers £	Restated At 31 March 2018 £
Reconciled to:					
Unrestricted funds	7,582,026	67,611,360	(65,756,423)	(9,312)	9,427,651
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
Total funds	8,415,184	68,138,122	(65,972,069)	(111,116)	10,470,121

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

25 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 is part of Building Bridges. 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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

25 Movements in funds (continued)

Purposes of restricted funds (continued)

The project has received up to £6.4M of funding from the European Social Fund and The National Lottery Community 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.

Scottish Vocational Qualifications

The Scottish Government Voluntary Sector Development Fund for staff training.

Natwest Project (DOSH)

Money & life skills workshops for young people with a learning disability looking to move to their own home, get a job or move to the next stage of their lives.

Happy Snapper

Local fundraising to subsidise the costs of a photography group.

Scottish Government

The Scottish Government funding 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.

Corra Foundation

This is allocated specifically towards the core costs of a project with East End Carers Hub in Shettleston supporting carers of young people with autism.

Stafford Trust

This is allocated specifically to the Glasgow project for salaries and expenditure.

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.

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

THERA TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

25 Movements in funds (continued)

Purposes of restricted funds (continued)

Prior Year

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.

Purposes of designated funds

Circle of Support Fund

This is a fund which was generated by a volunteer who ran a marathon in the course of the year and donated the proceedings.

Baily Thomas

This fund is to be used for core costs associated with Circles of Friendship and Support.

Prior Year

Meet the Dragons

Funding to continue the development of Dosh Limited.

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

	2019 £	Restated 2018 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	759,469	1,482,053
Depreciation charges and impairment	349,317	407,942
Loss on disposal of investment property	70,933	109,148
(Surplus) / Loss on disposal of fixed assets	(1,566)	3,629
Unrealised (Gains)/losses on investment properties	(263,648)	(45,637)
Unrealised (Gains)/losses on fixed assets	-	(247,947)
Interest receivable	(19,349)	(8,794)
Interest payable	427,236	209,904
Pension interest	21,600	8,000
Amortisation of intangible fixed assets	7,260	94,875
(Increase)/decrease in debtors	(2,083,610)	111,460
Increase/(decrease) in creditors	(53,683)	(633,205)
Net change in the defined benefit pension liability	(66,283)	(67,116)
Donated properties	(100,495)	(506,300)
Net cash provided by / (used in) operating activities	(952,819)	918,012

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

27 Analysis of cash and cash equivalents	At 1 April 2018 £	Cash flows £	Other changes £	At 31 March 2019 £
Cash at bank and in hand	4,917,882	(699,008)	-	4,218,874
Overdraft facility repayable on demand	(510,385)	91,341	-	(419,044)
Total cash and cash equivalents	4,407,497	(607,667)	-	3,799,830

28 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 2019 £	2018 £	Equipment 2019 £	2018 £
Less than one year	1,390,860	1,165,066	220,797	220,009
One to five years	5,370,124	4,300,669	249,886	161,647
Over five years	14,358,218	12,535,031	-	-
	21,119,202	18,000,766	470,683	381,656

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 2019 £	2018 £	Equipment 2019 £	2018 £
Less than one year	57,481	55,645	203,405	207,692
One to five years	229,924	222,580	194,821	139,024
Over five years	93,119	145,790	-	-
	380,524	424,015	398,226	346,716

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

29 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:

	Property 2019 £	2018 £
Less than one year	1,143,109	870,004
One to five years	4,487,706	3,480,016
Over five years	13,785,026	11,599,779
	19,415,841	15,949,799

Charity

There is no rent receivable in the Charity.

30 Contingent 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.

Following a ruling in 2018 by the Court of Appeal, Thera Group has taken further legal advice in relation to a national minimum wage review by HMRC across the social care sector. The directors are therefore satisfied that its current contractual and policy framework continues to comply with all relevant regulations as currently interpreted. The directors are aware that the matter generally may be subject to further legal or regulatory rulings in the future, which may result in substantial additional cost being incurred. However, in the absence of any change in the relevant regulations or any specific adverse finding, and as there are no current specific challenges to Thera Group's past or current practice, it is not possible to quantify any contingent liability relating to this matter.

31 Post balance sheet events

After the year end, Aspire Living has embarked on changes to its operational structure and staff terms and conditions. This process is expected to take six months.

After the year end, Thera East Midlands has been awarded a contract to support 51 tenants, increasing turnover by approximately £3.6m a year.

From 1st April, 2019, Thera South Midlands will continue to be responsible for a number of contracts, delivery of which will be sub-contracted to the Camden Society, until such time as those contracts can be novated. Thereafter, any remaining assets or liabilities will also be transferred to the Camden Society and Thera South Midlands will become dormant.

On the 30 August 2019, Unity Works Social Enterprises was registered as a charity by The Charity Commission.

After the year end, Forward Housing SW have committed to the purchase of six properties at a cost of £2.4m. These will be funded by a loan from the parent company Thera Trust, using monies generated from Thera's 2018 5.5% charity bond.

Following the collection of outstanding debtors and settlement of outstanding creditors, Folegandros will make an application for the company to be struck off the register of companies.

After the year end Thera West disposed of by way of sale £53,000 of Thera Trust 2015 5.5% bonds.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

32 Restatement of prior year

As stated in note 23, for financial years ending on or before 28 February 2019, it has not been possible for the company to obtain sufficient information to enable it to account for the SHPS pension as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it has been possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme and therefore the prior year has been restated to account for this new information.

Impact on reserves

	31 March 2018			31 March 2017		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Members' funds previously reported	10,415,470	171,541	10,587,011	8,904,782	156,176	9,060,958
Adjustments on restatement						
Recognition of SHPS as a full defined benefit pension scheme	(116,890)	-	(116,890)	(645,774)	-	(645,774)
Funds restated	10,298,580	171,541	10,470,121	8,259,008	156,176	8,415,184

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.