



THERA TRUST

Registered No: 03593418

Charity No: 1090163

TRUSTEES' CONSOLIDATED REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2020

THERA TRUST

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INTRODUCTION

**These papers tell readers what the company has been doing
between April 2019 and March 2020.**

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

You can see how the company has managed its money.

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

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

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2020

The Directors are pleased to present their report and financial statements for the year ended 31 March, 2020.

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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year ended 31 March 2020

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

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:

John Blundell	(appointed 30 March, 2020)
Karen Boyce-Dawson*	
Christine Chang	
Simon Conway*	
Jennifer Garrigan*	
Elizabeth Lichten	(appointed 4 May, 2020)
Michelle McDermott	(appointed 28 September, 2020) Co-Chair
Michael Morgan	
Jill Parker	
Martin Pilkington	
Christopher Rheinberg	
Matthew Smith*	
Sally Warren	(appointed 27 April, 2020) Co-Chair

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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REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

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

RESPONSIBILITIES OF THE BOARD OF TRUSTEE DIRECTORS

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Thera Trust, the charitable company, and of the Group and of Thera Trust's and the Group's incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- ✓ select suitable accounting policies and then apply them consistently;
- ✓ observe the methods and principles in the Charities SORP;
- ✓ make judgements and accounting estimates that are reasonable and prudent;
- ✓ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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- ✓ prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

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

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

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020



report

Report of the Directors and Trustees¹

Hello from Michelle and Sally

We are so excited about being Thera Trust's first Co-Chairs!

We have known each other for a long time, but this is the first time that we'll be co-chairing together.

When we were thinking about applying for this role, we spent a lot of time looking at Thera's work. We were really excited by how Thera so thoughtfully involves people with a learning disability – from employing people who have a learning disability as directors throughout the organisation to employing others to check on the quality of support offered. It's great that Thera Trust has always done this and continues to do this.

What struck us was how Thera really thinks through the range of opportunities and support that are needed to help people live good, ordinary lives. Thera supports people through its range of regional and specialist companies but, most importantly, puts people in the 'driving seat' and sees the power of supporting people to make their own decisions in their lives.

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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We spent a number of months (starting before Lockdown!) meeting a wide range of people - Service Quality Directors, people supported by Thera, Grantham Office colleagues and Thera's executive and non-executive trustees. We have to say that our heads were, and still are, spinning as we carry on meeting more people! But this is important to us. It helps us work better with all involved and gives people a better sense of who we are. We'd like to thank you all for giving us your time for this.

We'd like to give a big thanks to Chris Rheinberg, who chaired the Thera Trust board on an interim basis. Chris has been a big support in helping us get to know Thera and he has made us feel welcome and valued. Chris, we aren't quite ready to let you go yet – we have your number!

What has also struck us is the passion that each person has for what they do – supporting people to live great lives!

We have also really loved the honesty that people have spoken with. Running organisations, especially those which are more complex like the Thera Group, is not always easy, so we feel reassured that people have spoken about the challenges and determination for finding ways forward. We would have been worried if people had said everything was perfect!

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Relationships really matter. We like honest and real conversations and learning as that's when the best stuff happens!

We are now slowly learning more about Thera and the way that it works and we expect to keep learning all the way through our time with the organisation.

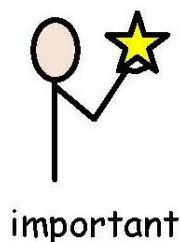
As Co-Chairs together we intend to work with colleagues to:

- ✓ value the experience and knowledge of all
- ✓ host open and honest conversations
- ✓ ask questions, listen and learn
- ✓ make sure that the board keeps an eye on performance, so that Thera's money and other resources are used in the best way possible
- ✓ keep an eye on the agreed plans for the future
- ✓ co-produce a future with Thera to keep moving towards its Vision

We are really excited and proud of being part of Thera Trust's future.

Michelle McDermott, Sally Warren
Co-Chairs

**REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2020**



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

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REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

Although people with a learning disability have a greater profile in society today than they did twenty-two years ago when Thera started, 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.

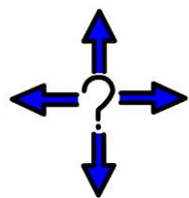
It's still the case that some people with a learning disability, particularly those with complex needs, remain hidden away from society. According to the Challenging Behaviour Foundation, there were over 2,000 children, young people and adults in inpatient settings at the end of October 2020 and, on average, each had been there for almost 6 years, many for much longer.

Towards the end of the year, we began to see how people with a learning disability receiving healthcare in hospital or in registered care homes and other institutional settings were treated differently in the face of Covid-19. Indeed, since the year end, we know individuals who, sadly, have passed away with Covid-19, having been admitted without Covid-19 to hospital for other reasons such as a long term health condition.

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

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direction

Strategic Direction

Thera's strategic direction continues the range of care, support, services and activities that Thera is now known for. As a charitable group of companies, this direction is delivered both by Thera Trust itself and through its subsidiary companies.

- ✓ Supporting people to have a great life, including:
 - continued focus on supporting people with complex needs
 - improving access to specialist health care
 - developing further our capacity and skills to support younger people with a learning disability
- ✓ Supporting more people and working in more areas
- ✓ Creating opportunities for people beyond exclusive activities and paid support
- ✓ Offering employment and training opportunities to more people in more areas
- ✓ Expanding development opportunities for leaders with a learning disability
- ✓ Facilitating access to specialist housing within people's chosen communities
- ✓ Building the capacity of communities to welcome, and to, offer more social connections to, and support people with a learning disability
- ✓ Supporting other organisations that share Thera's Vision

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- ✓ 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 staff 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 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.

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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Trustees of Thera Trust promote the purposes of the charity in a number of ways, noting that this is in their role as trustees of the parent company of a charitable group of companies. As well as talking about Thera themselves, they:

- ✓ Ensure company articles provide for:
 - company members with lived experience of learning disability
 - paid and unpaid directors with lived experience of learning disability
- ✓ Maintain a group structure to enable the engagement of local boards and leaders more directly with beneficiaries and their local communities
- ✓ Promote control and involvement by beneficiaries of their local company through company membership
- ✓ Appoint paid and unpaid directors with lived experience of learning disability to the Thera Trust and subsidiary company boards
- ✓ Set a strategic direction of the Group's activities which focusses on and responds to the interests of beneficiaries rather than organisational targets
- ✓ Employ staff with lived experience of learning disability
- ✓ Encourage peer review of the quality of Thera's work
- ✓ Provide social investment grants in support existing and future beneficiaries
- ✓ Undertake fund-raising activities for the benefit of beneficiaries either generally or for specific projects

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- ✓ Promote communication internally and externally that is accessible to those with lived experience of learning disability
- ✓ Maintain a governance and policy structure that promotes the charity's objects
- ✓ Undertake activities designed to promote the interests of people with a learning disability in government in wider society



support

Thera Supports People with a Learning Disability

As of 31 March, 2020, Thera was providing support to almost 3,300 people with a learning disability (31 March, 2019 – 3,200) across the UK. This increase reflects, in particular, Thera East Midlands starting to support people in Stoke

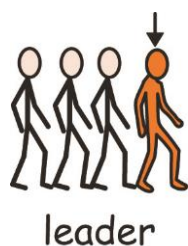
The range of Thera's work is described in its Social Impact Framework. Our independent fourth social impact report was published during the year and, at the time of writing, our fifth report was being compiled showing Thera's performance against this framework. Copies of our annual impact reports can be viewed online at <https://www.thera.co.uk/investors>.

Each year, we hear stories from people we work with which continue to inspire us! We see our impact demonstrated ever more clearly in such stories. They show 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

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valued citizens in their local community. Some of their stories are included throughout this report and illustrate the work that Thera does and the impact that we have in people's lives.



Promoting People's Place in Society

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

"It has been fantastic working for Thera for the last 10 years. Each year gets better and better. I am very impressed that we received an outstanding rating from the Care Quality Commission and am proud of the staff teams and others who put in the hard work to get that rating. We are now focusing on 'Beyond Outstanding' and what that will look like.

During the past year I have been looking particularly at four key themes:

- ✓ Not falling into the Norm. This is about striving for constant improvement and not just settling for doing the same things. I love it when I see someone achieve something new and different helped by our staff, no matter how small the thing might seem to other people.

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- ✓ Staff recruitment. I am very pleased that we have managed to recruit and retain so many good people, thus avoiding the need for agency staff.
- ✓ Less paperwork. This is always tricky, but I am keen to see technology help us to streamline paperwork and administration tasks so staff can spend as much time as possible directly supporting people.
- ✓ Homely. We are always looking to ensure people are supported to make their home feel personal and homely rather than to be like mini institutions. Over the year we have supported people to move house which has improved their lives.

As well as working with the other directors and operational teams, I have continued to receive reports from The Quality Company, which provide an independent view of the support we are providing, enabling me and the team to look at how we might make further improvements in our work.”

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.

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.

Thera supports, helps and encourages people in developing a range of practical life skills, to take an active part in their local community, in employment, education, hobbies and interests, for short breaks and on holiday. Thera also supports people who want only a small amount of support from us, as one part of their overall network of family, friends and support.

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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“Julie”

“Julie’ began being supported by Thera after the closure of the residential home where she had been living for many years. She needed support in all areas of her life. ‘Julie’ took up a tenancy in a property shared with two other people. This was a great opportunity for her - she started cooking her own meals, spent more time in her local community and was able to see her friends more often as she was in walking distance of their house. She also got to say how she wanted her bedroom decorated!

After some time, ‘Julie’ said she wanted to be more independent and went to live with two other people who, like her now, needed less support from Thera; but although she enjoyed her time there, she still felt she wanted greater independence. ‘Julie’ was supported to move again, this time to a one bedroom flat in a block of flats with a warden. ‘Julie’ amazed everyone with her developing life skills. She now has total control of her money, has her own pin number and has developed budgeting skills. She plans her own household chores, completes her own washing, cooks and prepares her own meals. She has purchased her own mobile phone and has now got internet access. She regularly books taxis independently to visit to family and friends. There is also an amazing sense of community in her building with residents meeting up for chats and gatherings in the community room.”

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“Holly”

“After spending six years in a long stay institution, “Holly” is now living in the community with two to one staff support. She has been joining in with lots of activities and attending new clubs, which she wasn’t able to do when she was in hospital. Her mum is delighted to see her daughter enjoying life.”

“Alan”

“With lots of support from his staff team, “Alan” has started speaking after years of selective mutism. When we first met “Alan”, we were not aware he had been able to communicate verbally in the past. On learning this, the team set about finding ways to help him to speak again. He can now say “hello” followed by each staff member’s name. He continues to try out other words and short sentences.”



employment

Employment, Training and Social Enterprises

Unity Works Social Enterprises supports people with a learning disability with training and support into, and in, work. This includes working through its social enterprises - catering, gardening,

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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.

Mary

“When she joined Work Train Greenwich, “Mary” had never had a paid job and wanted to find a meaningful work opportunity where she could earn money whilst doing work that she enjoys. “Mary” secured a paid retail assistant position at Waitrose. We supported her with improving her work-related anxiety issues by offering practical advice, guidance and coping strategies for managing her anxiety and handling stressful situations at work. Additional support has been provided to her employers to ensure she gets the support that she needs in order to maintain her job.

“Mary” has also been attending Work Train Greenwich’s group sessions where she enjoys meeting new people in a small and supportive environment. She requested a workshop on “speaking to new people”, which we covered in our group sessions and “Mary” has benefitted from this by putting it into practice at work. She was encouraged by Work Train Greenwich to apply for a Freedom Pass so that she can travel to work easily.”

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An Employer's Contribution

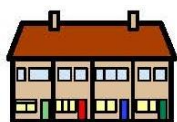
We first met “Sarah” in 2019. She attended an event with one of our other employers in her sector who had employed one of our candidates and were celebrating his achievements. “Sarah” reached out to us, keen to see what she could do to help to open up similar opportunities to other candidates; and we arranged some informal meetings. “Sarah” met 6 candidates and offered them interview skills feedback and advice, mentoring and networking opportunities, including sharing online profiles, CVs and complimentary tickets to career events. “Sarah” has demonstrated amazing commitment to diverse talent, and during lockdown also attended our online disAbility Awareness Training. We are now looking at creating training that can be accessed by colleagues throughout “Sarah”’s network.

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Supporting Entrepreneurs



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



housing

Housing Support

Forward Housing 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.

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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“Gemma”⁵

“Gemma” is 19 years old and comes from a large family of nine children, the majority of whom have spent most of their lives in care. She is on the autistic spectrum with a learning disability and has high levels of anxieties. When “Gemma” was anxious she self-harmed and hit out at others. This behaviour remained consistent throughout her time in care. Whilst in care she only felt safe sleeping on a mattress on the floor.

When “Gemma” was 18, Thera was asked to support her and to help her find somewhere to live. “Gemma” had firm ideas about the type of property she wanted, as living independently was a longstanding ambition of hers. Thera worked closely with “Gemma”, Children's Services and Social Services to identify exactly what type of property was required. Location was key, as there were certain areas and bus routes that had to be avoided. It also needed to be near a large park and have ready access to areas in the town that she knew.

Forward Housing located a property. It was designed with low sensory features to help “Gemma” manage her behaviours; it has a dedicated, chill-out room for her sensory equipment and a garden that can accommodate a large swing.

⁵ “Gemma” ‘s story also appeared in our 2020 Bond Offer document

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“Gemma” now has her own home! It has helped her greatly. Instead of presenting daily challenges requiring staff support, she now has infrequent, self-managed events. Ready access to her sensory equipment helps her calm down when she is feeling anxious. She is slowly personalising her home at her own pace, introducing colours and items she has chosen.

One dramatic improvement has been that “Gemma” now feels secure enough to sleep in her own bed, something she has not done in nine years. She actively participates in cooking and her social circle is expanding. She goes out with friends for meals and has taken up Zumba. “Gemma” will be leaving college this year and is now preparing for adult life.

A life transformed, with a new home as the first step.”

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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.

“Amy”

One lady we were asked to support had for several years expressed the desire to own her own horse. Previously she had been told "no", which hurt her mental wellbeing and confidence. Her new Dosh advocate got to know her and built up the relationship with her. She showed 'Amy' that she was there to support her independence. 'Amy' began to realise that Dosh is not there to say no, but to empower her to realise the consequences of this decision and commitment. With her own weekly budget, she has arranged to "borrow" a horse; she has found insurance and attends the stables twice weekly. Her support team are blown away by her achievements. 'Amy' wants to show that this is a purchase she is committed to and we have every faith one day she will have her own horse.

“Mark”

We started supporting 'Mark' who had been struggling to manage his budget and needed his Dosh Financial Advocate to help him with

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that. His Advocate noticed that the main reason he was struggling was that his benefits were not correct. She managed to increase his ESA benefit by changing it to the correct type and adding a premium he was due. After meeting him, we also thought that the amount he was receiving in DLA was incorrect, so asked for an early assessment for the new disability benefit (PIP). He was awarded a PIP too and is now nearly £130 per week better off than he was before Dosh started to support him. He has chosen to use the money to go to the day centre an extra day a week which he loves and is already planning a holiday which he has not been able to do before.

“Peter”

'Peter' is 20 years old and lived in a supported housing project for young people. His goal was always to live by himself. He needed to save up money to do this. Dosh worked with 'Peter' and his circle of support to help him understand budgeting and saving and develop better spending habits. It has been hard at times - 'Peter' has had to choose between spending money on smaller things like takeaways and leaving enough for train trips (his passion), as well as the house move and he has not always managed to stick to his budget ! With the support of Dosh to help keep his savings safe, he managed to save up enough to move into his own flat. He is really happy in his new place and proud of himself for achieving his goal. He has saved up and bought his own furniture and learnt budgeting skills. He

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knows how much he can spend at the supermarket each week and he knows he can still afford train trips.

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.

“Using our Quality Standards and performance indicators, we completed during the year a total of 1,241 Quality Checks for people with a learning disability in a range of different ways – 91.5% of people against our annual plan. This is up by 60 people from 2018-2019, but down in the percentage from last year by 7.2%. A contributing factor to this has been the suspension of quality checking before the end of the year because of Covid-19.

We are satisfied that our quality reports give individuals with a learning disability and their support providers a wealth of information about the quality of support provided, from the perspective of an Assessor with a learning disability.”

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Community Capacity Building

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

In particular, Equal Futures help build and sustain circles of support around individuals with a learning disability currently living with their family.

The cooking group at Club 82 prepared a stunning Christmas meal for their family and friends on Friday 13 December. The Salvation Army in Whittlesey kindly let Club 82 use their church as the venue and the group also invited John Major to dinner to say thank you!

Gig Buddies with Thera has grown substantially in 2019-2020. The project is now made up of 3 distinct local projects - Edinburgh, West Lothian and Glasgow. The project has grown from having one member of staff to now having a dedicated co-ordinator for each location. Gig Buddies now has 97 members and 61 volunteers, with roughly 40 pairings. Having dedicated co-ordinators has been a huge boost to each project, not least in West Lothian. In the 5 months since having a dedicated member of staff, the project has seen a dramatic rise in volunteers and paired members. Having someone specifically focused on this project has also resulted in a greater capacity to run social events in the area. In January 2020, we met with West Lothian Council (our local funders) and presented a report for the project from 2017-2020. This was met with great

THERA TRUST

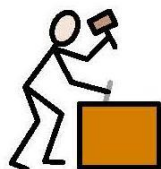
REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

enthusiasm and resulted in a 2 year extension to our work in West Lothian. We're so grateful for this continued support. One parent of a member commented on the social life that her daughter has access to through the West Lothian project saying, "Gig Buddies has been great for us, most especially Beth. She likes the regular mEAT UP events and we are pleased that it keeps her in a social group which she would otherwise not have". The Glasgow project launched to great success in September and there is enormous potential for the project within the city. After a relatively quiet launch, focusing on recruiting volunteers over the first three months, we teamed up with long time collaborators 'Independent Venue Week' for a launch gig as part of their 2020 festival in January. After only 6 months we have 18 volunteers, 15 members, 5 pairings and an incredible roster of venue partners for our Glasgow project, which we are incredibly proud of. The 2019 Edinburgh Festival Fringe saw our most ambitious event to date. Fringing 9-5 saw 16 members and volunteers get out to the Fringe Festival from 9am–5am the next morning, seeing 6 shows along the way and partying all night long at a local night club. Though not everyone joined us for the whole event, each of the 9 members that went into the nightclub at 1am had been with us since the very beginning!

Thera Trust

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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 31 companies in the Group
- ✓ in delivery of special charitable projects, research and co-ordination of group-wide fund-raising
- ✓ in the provision of social investment grants to organisations and individuals
- ✓ a provider of central support functions to the Group.

In its registered charity role, Thera Trust has ultimate accountability to all of the people supported by Thera companies, as its beneficiaries, to ensure that Thera fulfils its charitable objectives as set out in its governing document, operates for the public benefit and complies with charity law and uses its charitable resources in the best interests of those beneficiaries. It also has a responsibility to ensure that the support and services provided by Thera companies meet the needs of its beneficiaries and are provided within the terms of its charitable objects.

Thera Trust also provides support and advice to subsidiary companies offering people with a learning disability company

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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 our paid directors with lived experience of learning disability in their leadership roles, as well as to the increasing number of non-executive directors with similar lived experience.

"My name is Matthew Smith and I am Director of Quality and Involvement for Thera. I have been working in that role since 2007. I am proud to be an equal executive team member on the Thera Trust board of trustees alongside my three other executive colleagues.

An important part of my role is to mentor and support the Service Quality Directors across the Group. I also monitor the quality of the work undertaken by each of Thera's companies.

I've been really pleased to work with the other trustees to bring our new Co-Chairs, Michelle and Sally, to Thera. It's also been fantastic to welcome Michelle Mansfield into the new role of executive chair of The Quality Company. The co-chair appointment has also opened the door for similar approaches on other Thera boards. I'm looking forward in the near future to recruiting another Service Quality Director to the board of The Camden Society (London). We started this process early in 2020, but it needed to pause because of the first lockdown.

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Before lockdown, Jenny Garrigan and myself, along with Edwina Turner from Anthony Collins Solicitors, talked at the Learning Disability England conference about how Thera's leadership model works with paid executive directors with a lived experience of learning disability. We look forward to talking to more people in the future.

I'm also pleased to see that a number of our companies are starting to focus on support to young adults, to enable them to have the sort of opportunity that I and directors and staff with lived experience of learning disability have been able to enjoy."

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

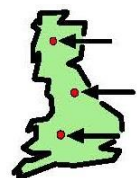
Thera Trust aims to support people to have a voice as citizens and increasingly leads a range of specific charitable activities and projects. Thera Trust also leads the Group's fund-raising efforts, drawing on skills and experience in other companies in the Group. We seek to influence and make a difference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

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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 2019-20, Thera companies continued to support people in many parts of England, in South Wales, in South East Scotland and the Highlands. During the year, Thera East Midlands started supporting people in Stoke.

This map shows the areas that Thera covers.

THERA TRUST

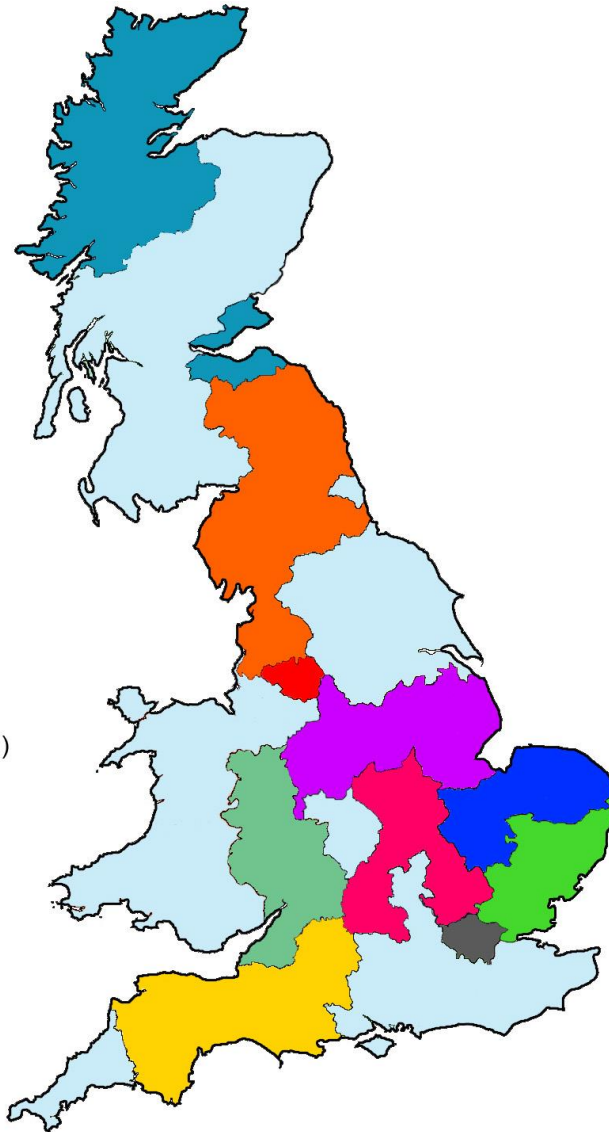
REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

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 Social Enterprises



Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020



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 regional 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.

“During the last year, I have had the absolute pleasure of visiting a number of people throughout East Anglia, including, of course, our Company Members at meetings and social events. It has also been a privilege to meet our amazing and resilient staff. I am in awe of our staff making a real difference to people's lives, helping them to develop life skills and giving people the opportunity for life experiences many take for granted.”

Andy Feather

Independent Director, Thera East Anglia

Thera Trust

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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.

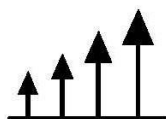
22

22

Thera is 22 Years Old!

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

The company was established under a Memorandum of Association which established its objects and powers and is now governed 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.



growth

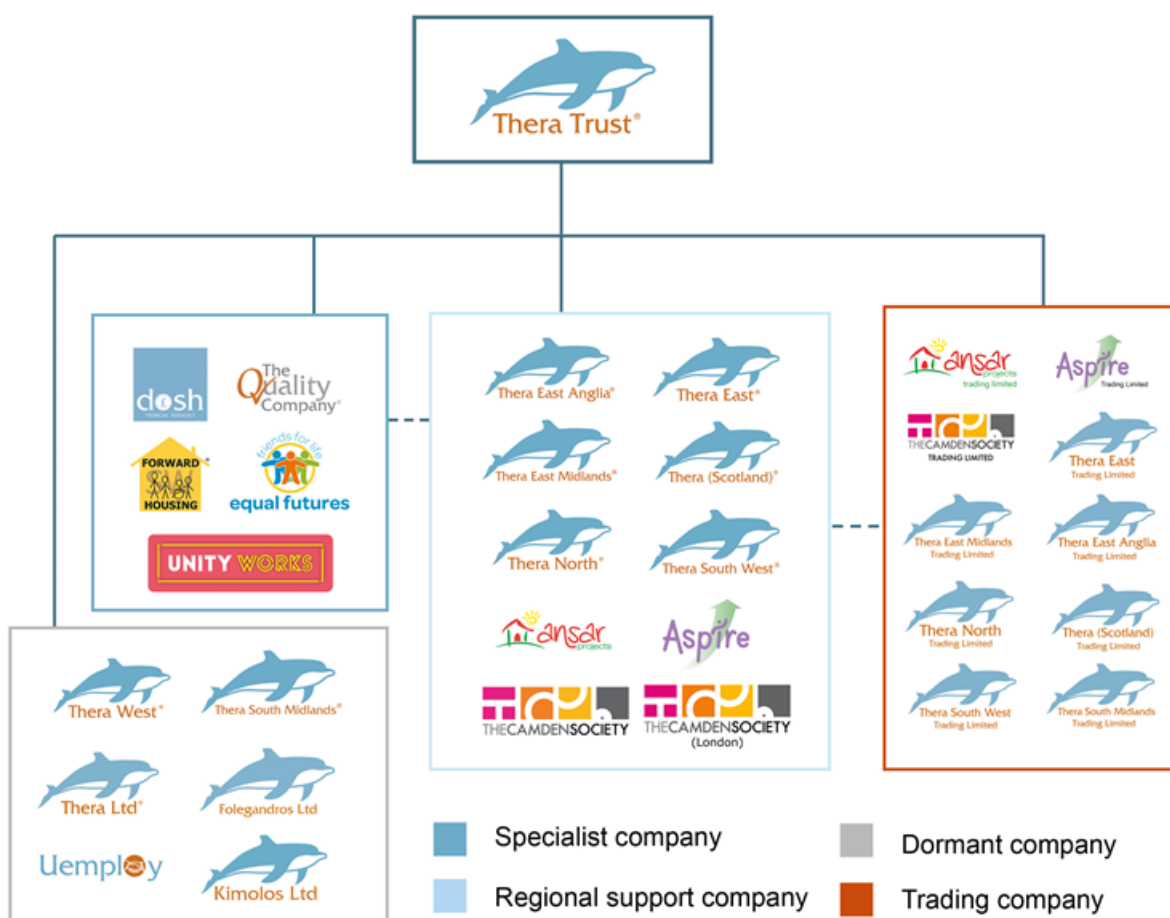
There are 32 Thera Companies!

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 govern their company taking decisions which are aligned to the needs and wishes of their specific

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beneficiaries and customers, involving people with a learning disability in the direction and management of their local company and engaging closely with the local communities in which they work.



Previous annual reports have set out the history of each of the companies as part of the Group's development. There were no company changes within the Group during the year.

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year ended 31 March 2020

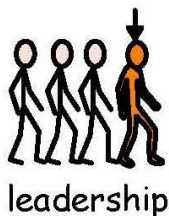
After the year end, on 22 April, 2020, Forward Housing SW changed its name to Forward Housing.

The board of The Quality Company decided during the year to change its status from that of a share-holding company to that of a not-for-profit company. After the year end, therefore, on 7 May, 2020, a new not-for-profit company was incorporated, named Kimolos Ltd. The Quality Company and Kimolos Ltd. then swapped names on 3 June, 2020. The operations, staff and balance sheets of the original company will transfer to the new legal entity during 2020-21 and in due course the old entity will be wound up.

The articles of association of The Camden Society and Aspire Living were changed during the year to provide for the appointment of paid trustees to their boards of trustees. This will enable a paid trustee with a learning disability in due course to be appointed to the board rather than this being an executive role reporting in to a voluntary board. This is in line with Thera's Vision as implemented elsewhere within the Group.

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

**REPORT OF THE DIRECTORS AND TRUSTEES
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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. The Camden Society (London)'s recruitment process for a Service Quality Director for its board was put on hold towards the end of the year as a result of the Covid-19 lockdown. We were though really pleased to be able to appoint Jordan Allan as Thera (Scotland)'s Service Quality Director after the year end as their recruitment process had already concluded before lockdown started.

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 13 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.

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Thera Employs Good Staff

At the end of the year, the Thera Group employed almost 3,400 staff (31 March, 2019 3,300), the majority of whom are support workers. The increase relates largely to the over 100 new staff who started working for Thera in Stoke, during November, 2019.

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. Individual Thera companies have continued to invest in staff by offering first class support, training and development, ensuring that they are capable and motivated to meet the needs of our beneficiaries.

Lucy⁶

Lucy likes the Thera recruitment process which seeks to match people with a learning disability with members of staff that have similar and compatible interests. She believes this is just one of the things that makes Thera very person-centred, offering a different approach to other jobs she has been in.

⁶ “Lucy” ‘s story also appeared in our 2020 Bond Offer document

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"I started working for Thera last December and I'm currently standing in as a Senior Support Worker for Thera East. I have worked in the health and social care sector for 20 years. I previously worked in elderly care then went on to work with children. I heard about the job from someone I previously worked with, who is now in a management role with Thera. Thera is a lot different to other organisations I have been in; they are very person-centred. Staff have more time for the people we support, you get to know them and what they like. I work alongside another Senior Support Worker. We share the role and bring ideas together. We support each other. I also work closely with the family of the people we support, which is lovely as you can ask them any questions and they help you get to know the person better so you can support them the way that they want. I like how Thera works, the ethics and the compatibility process of matching the person supported and the support worker. They are careful about putting people together, making sure they get along and have the same interests. Staff help and support each other. The support you receive isn't just from your team, but from the Directors as well. Everyone works so closely together and it's so pleasant to work here."

Sadly, we were not able to afford an increase to staff salaries as early in the year as we had hoped. Instead, a two year increase in salaries for support workers was implemented at the beginning of the new financial year with over 60% of staff receiving an increase

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of 6% or more and the majority of the remainder receiving 3% from July.

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.



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.

As well as the now established staff awards scheme, which are 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.



Company News from 2019-20

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

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

that, on a day to day basis, Thera now supports almost 3,300 people with almost 3,400 staff. Approaching 6,700 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 and through our various social media channels.

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



The second quarter of the year was dominated by the first stages of implementation of a new contract to support over 50 people in Stoke, a new geographic area for the Group. People were living in 14 properties in the area and a number of these were either unsuitable for their needs or in a poor state of repair. This was an exciting chance for Thera to have a significant charitable impact - increasing people's life opportunities and independence and improving their accommodation. Some of this will involve the provision of new or adapted property, funded either through bond monies or our agreement with Cheyne Capital. November saw the start of support and a complex TUPE transfer of over 100 staff from four other care and support organisations.

Some immediate priorities were identified beyond an important focus on operational and cultural alignment. One tenant was found to have been living in a conservatory for many years and Thera will

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now try to find them a place of their own in which to live. Two other individuals, who were in a relationship, were living in two separate houses and were not "allowed" to live together because their support was being provided by two different organisations. Thera will now be able to support them to live the life that they want.

Unity Works Social Enterprises took the difficult decision to close two loss-making cafes in London. One cafe had been seeing fewer training referrals from the local council and a new lease was likely to lead to higher overhead costs; the other was seeing insufficient footfall to be able to generate sufficient income to cover costs. Combined, the two cafes were forecast to make an annual loss of £200k had this action not been taken. Pleasingly, the majority of staff were able to be re-deployed and/or found alternative employment. All seventeen trainees with a learning disability were found alternative placements within other settings.

Equal Futures agreed a big change to its structure in January. It appointed a number of volunteer co-ordinators in the last quarter of the year and the trustees were delighted to welcome Jayne Laidlaw to the new role of Managing Director after the year end. The new team will lead the charity's activities and seek to broaden its impact across the UK.

February also saw the 10th anniversary celebrations of Thera (Scotland) and a testament to Thera's Vision with a party at which people with a learning disability, family members and staff enjoyed

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an evening of music, food and dancing together! This was hosted by Gig Buddies Scotland.

Thera (Scotland) had already welcomed Suzanne Abbate to the board as Managing Director in September and The Camden Society (London) welcomed Cecilia Parfitt to their board in the same month. Meanwhile Jane Feierabend joined Thera South West's board as Managing Director in January.

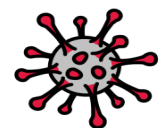
Aspire Living agreed to proceed with consultation across its entire workforce on changes to its operational structure and terms and conditions of employment.

Ansar Projects worked with beneficiaries and staff to recruit five new non-executive directors. Around 30 people gathered for tea and cakes at a community venue in Bury in February. Candidates were asked to introduce themselves and to explain why they were interested in Ansar Projects' work and what they would bring to the company. They were then able to meet beneficiaries and members of staff to be grilled and fried! This successful approach has subsequently been copied by several other companies within the Thera Group.

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

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year ended 31 March 2020**

Preparations for Covid-19



COVID-19

February and March were taken up with preparations and initial responses to Covid-19.

People with a learning disability are amongst those people across the country who are more susceptible to the impact of Covid-19. We helped beneficiaries to consider the risks that they may face and to take appropriate decisions to protect themselves and others with whom they live. By the end of the year, we were already starting to see a number of people display symptoms.

Considerable resource was directed towards the range of practical planning matters required to ensure the continued delivery of care, support and services to beneficiaries over an extended period of time. That work in particular sought to mitigate the risk of severe staff shortages as a result of progress of the disease across the country.

The designation of people caring for vulnerable people as "key workers" was welcomed. Staff were provided with guidance and support as necessary. Where appropriate, staff were re-deployed to support core activities. Staff working out of Thera's Grantham Office, as far as possible, started working from home and considerable effort was put towards extending and strengthening IT infrastructure to support a much higher volume of remote and home working.

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A steering group co-ordinating Thera efforts and policy and practice were rapidly updated in line with Government guidance. Practical considerations to support staff deployment, effective communication and matters of business continuity needed rapidly to be addressed.

Sadly, decisions were needed to close those venues operated by Thera companies where beneficiaries congregated during the day-time as well as social enterprise cafes and other venues. The operations of The Quality Company were scaled back to the bare minimum and non-essential work undertaken by Dosh financial advocates was also stopped.



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' and FRS102.

2019-20 was a difficult year for Thera's money, Labour market tightness in several key hotspots made it more difficult to retain and recruit frontline staff for some contracts, which led to the unwelcome need for the use of agency staff. In addition, some local authority contracts require provision of a fixed level of staff support even when income is reduced because of a smaller number of beneficiaries. Exceptional costs, including from the café closures referred to

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above, further impacted on the year end result by over £300k. This has meant that net income before gains on investments was only £229k on income of almost £73m.

Thera's income in 2019-20 continued to come largely from contracts with Local Authorities or NHS organisations. Contract income from these public bodies is largely on an individual basis, although the extent to which people with a learning disability themselves have a say in how their local authority spends money on their behalf varies considerably across the country. A limited amount of income continues to come directly from individuals supported by Thera, who are taking advantage of the control that Direct Payments and Individual Budgets gives them. Rental income again increased, reflecting the larger number of investment properties provided by Forward Housing.

Group incoming resources in 2019-20 were £72.9m (2018-19 £70.0m). The increase reflects support to more people across the Group as well as price increases.

During the year, the Group retained a surplus from its charitable activities of £557k (2018-19 £924k), before exceptional costs of £328k (2018-19 £429k).

The Trustees undertook a review of the value of its leasehold property, which indicated an increase in value across all properties

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of £0.4m. and actuarial gains on defined benefit pension schemes were £0.2m.

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

Covenant EBITDA⁷ (before exceptional items) was £1.5m (2018-19 £1.6m).

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

Charitable funding received by Thera is applied to the benefit of people with a learning disability through the Group's wider charitable objectives. This may be through support to smaller companies in the Group or specific charitable projects and, during the year, trustees again made a number of monetary grants to individuals to meet specific requests for financial support. Trustees have also maintained the discretionary fund to reward individual members of staff who demonstrate a particular contribution to the Charity's objectives.

⁷ Covenant EBITDA – earnings before interest, tax, depreciation and amortization and exceptional costs, which measures the company's operating performance, calculated here in line with Thera Trust bond terms and conditions.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

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

We're really pleased to continue to be supported by a range of individual and institutional investors.

During the year we saw some limited trading of our 2018 bonds on the secondary market, in some cases at a price above par.

After the year end, we launched our fourth charity bond, again with the valued support of Triodos Bank. We were pleased to see a large number of new investors start supporting Thera and to be able to close the issue early with a further £5m. of funds committed.

We really are immensely grateful to all those organisations and individuals who have supported Thera by investing in our 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.

Thera Trust

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In addition to funds from our charity bonds, we have access to funding under our agreement with Cheyne Capital made available from their Social Impact Property Fund. These funds, along with charity 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.



money

Reserves

The overall results for 2019-20 had a positive impact on the Group's reserves. Net assets at 31 March, 2020 were £12.1m (31 March, 2019 £11.3m). Thera's reserves were made up as follows:

	£,000
Unrestricted Reserves (incl. Re-Valuation Reserve)	11,654
Designated Reserves	48
Restricted Reserves	377
Total Reserves at 31 March, 2020	12,079

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cash

Cash and Working Capital

At the year end, net current assets were £5.8m (31 March, 2019 £9.7m). This reduction reflects both the deployment of bond funds on the purchase of investment properties and other capital expenditure. It also reflects the upcoming £2m. redemption of Thera's 2015 bond, which is due on 31 December, 2020.

Operating cash increased by just £0.4m. reflecting both the poor year end result and normal changes in working capital across the year end. Overall cash decreased over the year by £2.7m (2018-19 decrease of £0.6m) for the reasons outlined above.

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.



well

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

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net current assets. This level of overall reserves is equivalent to between two and three months' Group turnover. Moreover, it provides substantially greater levels of cover for individual component parts of the Group. Thera Trust's own charitable free reserves were £5.9m at the year-end (31 March, 2019 (re-stated) £4.2m). The charity's own free reserves are important because they emphasise Thera Trust's ability to be able to support individual entities or specific charitable activities. The Group's overall free reserves are lower as total reserves are largely represented by investment properties. It is planned that future years will see a higher level of surplus in order to increase the Group's free reserves.

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
- ✓ 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

It is expected that Thera's reserves policy target will be met during 2020-21. As a result of increases in turnover, Trustees intend to review this policy before the end of March, 2021.

Thera Trust

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Several smaller companies in the Group 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 had an obligation to perform positively against three key financial covenants. The following table shows that in the year to 31 March, 2020. Thera met two of the three covenants. Further details can be found on the investors page of our website.

	Target	Performance
Net Asset Cover	130%	223%
Interest Cover (EBIT)	250%	229%
Interest Cover (EBITDA)	300%	331%

As a result of missing the EBIT covenant, £45 k penalty interest will be paid to investors in the 2015 bond issue at the end of December, 2020.

Percentage performance against covenant targets was lower than the previous year for the reasons outlined earlier in the report.

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Covenant performance in 2020-21 is expected to exceed target by a reasonable margin



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.

In particular, Thera Trust made social investment grants to The Quality Company, Dosh and to Equal Futures, recognising their activities are specifically to advance Thera's charitable objectives.

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REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020



Pensions Liability

We're pleased that the Social Housing Pension Scheme ("SHPS") saw an increase in the value of Scheme assets and a reduction in the present value of accrued defined benefit obligations. As a result, the net pension liability for this scheme has reduced by over 55% to £383k.

Annual additional deficit contributions continue to be made in line with a plan set by the Scheme's actuary.



Thera's Directors (Trustees)

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

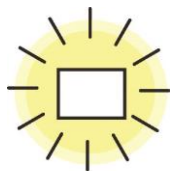
Thera Group is run by a team of executive trustees, each equally responsible for the overall strategic direction and performance of the organisation and one of whom has a learning disability. This structure serves our philosophy. It enables the director with a learning disability properly to say that they are at the top of the organisation and accountable directly to company members and beneficiaries. They are treated equally to colleague executive directors in terms of status and pay and have an equal status around the board table as an executive without their voice being filtered,

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

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

Last year we reported our intention to appoint two Co-Chairs to lead the Thera Trust board. We're delighted that Michelle McDermott and Sally Warren accepted our invitation to join the board. Michelle brings her lived experience of learning disability to the role as well as her experience of supporting adults with a mild to moderate learning disability. Alongside her role at Thera, Michelle also works at Paradigm as associate co-facilitator, at Generate as a co-trainer for the Easy Health project and at Books Beyond Words as a facilitator. Sally is the managing director of a national training and development agency working to ensure people with a learning disability and / or autism are supported to live good ordinary lives.

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We are immensely grateful to Chris Rheinberg for acting as interim Chair for longer than anticipated and we are pleased that he remains on our board and continues to be able to contribute to Thera's governance. We're also pleased to welcome John Blundell and Elizabeth Lichten to the board. With four new appointments in the space of less than a year, our focus during 2020-21 will be to start to consolidate an already strong board team to lead Thera in the next phase of its development. Whilst we know those efforts will be hampered to some extent by Covid-19, limiting our opportunities to get to know one another, we are confident that we have laid the groundwork with an effective group of trustees, passionate about Thera's Vision and its beneficiaries.

Across the Group, our various boards can accommodate almost 100 voluntary directors. We are constantly therefore on the look-out for non-executive directors/trustees to maintain the effective governance of the Group. We have continued to recruit both nationally and locally for directors/trustees, including people with a learning disability who wish to be voluntary directors. In 2019-20, we've been delighted to welcome 28 new voluntary non-executive directors/trustees, who broaden and increase the wide range of skills on our company boards.

We value the often unsung contribution that voluntary directors/trustees make to the governance and leadership of the Group and to the interests of all our beneficiaries.

Thera Trust

REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

The Chairmen from Thera's companies met twice during the year 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. Normally meeting every six months, alternative arrangements and frequency of meeting has changed since the year end to respond to the limitations resulting from Covid-19.



Thera makes sure that it has Good Directors

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

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

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

Directors and trustees undertake a formal induction process to ensure they know the organisation and its aims and are aware of

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REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

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. A similar expectation is placed on the boards of other operating companies in the Group.

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.



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 Thera Trust and of Thera's 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.

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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.

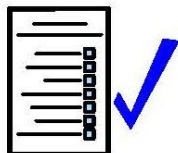
In the current climate, the Committee determined for 2019-20 that there would be no increase in basic pay rates for Thera Trust's directors. The detail of salaries is disclosed in Note 7 to the accounts.

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(u) and 23 to the accounts.

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REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020



check

Voluntary Directors Check Thera's Money

Audit Committee and Auditors

Thera Trust's Audit Committee is constituted with two non-executive and two executive trustees, although there were vacancies on the Committee during the year. The Committee met four times during the year. The Committee has recommended the re-appointment of Sayer Vincent as the Group's auditors for the 2020-21 accounts.

The Committee recommended the permanent appointment of Imergo Limited to take forward a comprehensive internal audit programme following a focussed interim programme of work during the year.



fundraising

Voluntary Directors Help with Thera's Fund-raising

Thera Trust's fund-raising is overseen by the Fund-raising Committee, comprising people from across the Thera Group. The Committee leads our drive to increase the amount of income earned from fund-raising.

During the year, Thera as a whole received over £0.7m (2018-19 £0.9m) in grants, donations and gifts-in-kind which is targeted both at specific projects and in general support of our charitable objects. This represents 7x return on costs of £95k (2018-19, £59 k, 15x). The increase in fund-raising costs reflects the appointment of Jonny

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REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

Rudge as Thera's new Head of Fund-Raising and the start of building a much larger fund-raising team.

Charitable companies in the Group - Aspire Living, The Camden Society, Unity Works Social Enterprises and Equal Futures – have each undertaken their own limited fund-raising activity, primarily to secure grants. They have made use of their own staff resource to do so, except for Unity Works Social Enterprises who utilised a small amount of fund-raising consultancy support to increase their capacity in this area. This consultancy support reported directly to Unity Works' Lead Director, and subsequently to the Head of Fund-Raising at Thera Trust, who would oversee the bids submitted and relationships held with funders to ensure standards were maintained. There was no use of any commercial participator.

The appointment of a Head of Fund-Raising marks a shift in fund-raising across the Group. Fund-raising will now be delivered in a co-ordinated and more centralised manner by in-house fund-raisers. Fund-raising consultancy support ceased in December, 2019, to allow for the recruitment of the in-house team of fund-raisers, led by the Head of Fund-Raising. These fund-raisers are focused on trust and grant income, which represents the vast majority of group fund-raised income currently, as well as laying the foundations for development of broader public fund-raising in the future.

All fund-raisers are expected to work in line with the Fund-raising Regulator's Code of Fund-raising Practice, which is used a

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reference point by the fund-raisers when developing any new fund-raising activity or reviewing existing activity. We have no reported compliance issues and continue to review and update policies and procedures in line with the Code to ensure that compliance remains strong. Though we were not registered with the Fundraising Regulator in the 2019-20 financial year, there is an intention to register in 2020-21.

We do not undertake door-to-door, face-to-face or direct mail fund-raising and public fund-raising in general is currently very limited. As a result, the risk of fund-raising in relation to vulnerable people is extremely limited. Fund-raisers work closely with the Thera Trust's Communications Team to ensure that fund-raising communications are easy to understand, respectful of potential donors, provide clarity about the cause and do not mislead in any way. As public fund-raising activity increases in the future, the fund-raisers are planning to develop training for volunteers and other staff across the Group to ensure they understand the standards we aim to uphold and what to consider when it comes to vulnerable people and fundraising.

Trustees are not aware of any complaints in relation to fund-raising activities. We have clear processes in place as to how complaints will be handled should they arise.

**REPORT OF THE DIRECTORS AND TRUSTEES
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talk

Voluntary Directors Talk with Thera's Staff

Thera's Vision states "Thera will respect the rights and wishes of people at work, at home and in the community". This demonstrates an approach not only to people supported by the organisation, but also to members of staff and volunteers.

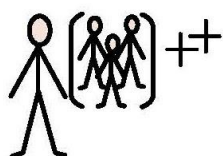
Staff are able to engage formally with the organisation as company members alongside people supported and family members and by electing representatives to a company's Employee Consultative Council ("ECC"), a sub-committee of their Board, providing a direct line of communication between directors and the workforce.

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 or in some cases formal consultation processes about workforce change.

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.

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members

People with a Learning Disability will be Members of Thera

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

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

At 31 March, 2020, there were 79 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.

Engagement with Key Stakeholders

Thera's approach to stakeholder engagement is built into its very structure.

- ✓ We have small local and specialist companies in order that their boards can be close to beneficiaries (people with a learning

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REPORT OF THE DIRECTORS AND TRUSTEES (INCLUDING STRATEGIC REPORT) year ended 31 March 2020

disability and their families / carers) and members of staff and can engage with the local communities in which they work.

- ✓ Directors with lived experience of learning disability meet face to face with beneficiaries and staff during the year both to assess the quality of Thera's work and also to take feedback to the board. They speak for the interests of beneficiaries around the board table.
- ✓ We promote company membership in order that our beneficiaries have a measure of control over the company that provides their support or that employs them.
- ✓ On some boards, an independent director is elected directly by company members and in that role formally represents the interests of company members and beneficiaries in general to directors.
- ✓ Employee consultative committees enable staff to engage directly with senior management and board directors.
- ✓ Thera Trust directors are represented on each subsidiary company board and therefore have direct contact with beneficiaries through the above mechanisms.

Thera is part of the Care Quality Commission's Market Oversight Scheme with regular quarterly reporting and meetings held during the year to discuss matters of mutual importance.

Subsidiary companies manage relationships locally with local authority and NHS stakeholders. This may be through provider fora, formal contract meetings.

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Within the Group, boards engage with one another through the Chairs' forum and peer liaison groups as part of internal stakeholder arrangements crucial to the effective governance of the Group.

During the year, beneficiaries and staff were involved in the appointment of executive and non-executive directors with face to face and virtual meetings, providing feedback to boards and Thera Trust's nominations Committee. In some companies, beneficiaries and staff were directly engaged in the compilation of annual plans in meetings with board directors

Key investors were consulted towards the end of the year on Thera's intentions to issue its fourth charity bond and quarterly reports are provided to those investors setting out the Charity's impact and financial performance during the year.



environment

Streamlined Energy and Carbon Reporting (“SECR”)

Thera is committed to good environmental practices and to operating in a sustainable manner in accordance with legislative requirements. It aims to raise awareness of our impact on the environment amongst the people we support and our staff and to work in an environmentally friendly manner.

Our policy is wholly to support and comply with, or exceed, the requirements of current environmental legislation and codes of

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practice.

Thera is committed to continual improvement in preventing and reducing pollution occurring from our activities, minimising waste and ensuring the reuse and recycling of goods and materials. We aim to set and review environmental objectives and targets, minimise energy and water usage in our buildings, vehicles and processes and to increase awareness of energy efficiency. Thera will seek to operate and maintain company vehicles with due regard to environmental issues and encourage the use of alternative means of transport and car sharing amongst our beneficiaries and our staff. As far as possible, we aim to purchase products and services that create the least damage to the environment and encourage others to do the same.

This year, we have captured environmental data in the required format. We now have a benchmark against which we can monitor our environmental performance in subsequent years.

	kWh	CO ²	% of Total
Natural Gas	406,854	74.8	9.78%
Vehicle Fleet	443,464	108	14.12%
Electricity	313,876	80.23	10.49%
Grey Fleet	2,109,693	502.08	65.62%
Total Gross Consumption / Emissions	3,273,887	765.11	100.00%
Number of Employees for SECR Reporting		3354	
Intensity Ratio (tonnes of CO ² per employee)		0.23	⁸

⁸ "Grey Fleet" refers to the use made by members of staff of their own vehicle for work purposes

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We have used the number of employees as the base measure for the intensity ratio of carbon usage as being most representative of the size of the organisation. The resulting intensity ratio will then best reflect changes in operation and energy consumption over time. We have followed the GHG Protocol Corporate Accounting and Reporting Standard and the 2013 UK Government and we have used the 2019 UK Government's Conversion Factors for Company Reporting. The energy efficiency narrative methodology has been created based on energy management best practice and we have used the financial control approach for the scope of this report.

We expect that for business travel, particularly since the year end as a result of Covid-19, and in the future, increased use of video conferencing and equipping staff to work from home where appropriate, will result in reduced travel by employees.

Thera is considering introducing electric vehicles when more widely available and we intend more actively to encourage staff to drive vehicles with lower CO² emissions.



business

Related Party Transactions

Related party transactions are detailed in Note 10 to the accounts.

**REPORT OF THE DIRECTORS AND TRUSTEES
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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. Trustees review key and current risks at each of their meetings.

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.

During the year, trustees saw the impact of the risk in some specific parts of the country of a tighter labour market supply and increased salary expectations. Trustees commissioned a wider workforce review with an initial in-depth workforce research study undertaken by Habit5. The outcome of this research and next steps in the review will be considered and taken forward in 2020-21.

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

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- ✓ 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
- ✓ 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.

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

At the time of writing, the Supreme Court had not yet ruled on an appeal against a Court of Appeal judgement, which is expected to clarify the law in relation to the National Living Wage ("NLW"), 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.

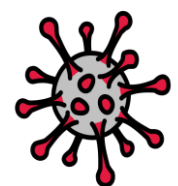
THERA Trust's Health and Safety Committee and those of subsidiary companies provide the formal mechanism for THERA jointly with staff safety representatives to fulfil their obligations under health and safety legislation and in line with their Health and Safety Policy.

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

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regulations. Managing Directors in subsidiary companies are the nominated individuals under CQC Regulations.



COVID-19

Covid-19

The accounts to which this report relates are for the year ending 31st March, 2020, when the Government lockdown in relation to Covid-19 had been in place for a little over a week. At that point, Thera had already put in place policy and guidelines in line with legal and regulatory requirements. It had secured and ensured the availability of sufficient supplies of personal protective equipment and had identified and planned for the operational impact on each of its areas of activity.

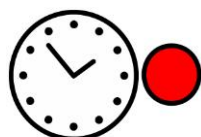
Since the balance sheet date, through the various changes in national and local government restrictions, a number of Thera's areas of work have continued to reduce in volume or to be suspended entirely. These include support to people in the community and in venues where people congregate, social enterprise cafés and shops and short break services. Instead, activities have been focussed on providing greater volumes of support to more people at home, with, in many cases, staff being re-deployed to undertake this work rather than being furloughed. Where activity levels have changed, income levels have largely been sustained, ensuring medium term stability through to when restrictions ease and there has been no material impact since the balance sheet date on financial performance or working capital.

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Additional costs, for example on personal protective equipment, have been funded either in this way or with additional specifically targeted income from local authorities or national governments.

The directors continue to ensure that they set policy in line national legislation and regulations. Additional guidance is issued to individual companies as necessary in response to changing circumstances or to address specific risks relating to Thera's work.



later

Since the Year End

Covid-19

Covid-19's direct impact amongst our beneficiaries has been more limited than for those organisations providing care and support to individuals living in large residential care settings. The passion and dedication of Thera's workforce has been remarkable to see in their continued care and support to beneficiaries during this difficult time.

We have sadly seen four beneficiaries pass away as a result of the virus. Whilst each death is a tragedy, the number of beneficiaries and staff displaying symptoms at the time of writing continues to remain relatively low.

The majority of beneficiaries are coping well with the change in their circumstances because of social distancing measures. In some cases, a quieter pace of life has proved beneficial, beneficiaries are building new and different activities and interests and enjoying

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getting to know some of their neighbours for the first time. Greater use of technology has opened up new and unexpectedly positive means of communication. This has been particularly notable for individuals who struggle with multiple distractions in their immediate environment, where video calls have enabled greater focus.

Other venues where beneficiaries congregate during the day-time remain closed. Three short break venues have been re-commissioned to provide emergency support and accommodation to specific individuals. Other community activities have also been scaled back. In such circumstances, staff who are not able to be re-deployed have been furloughed.

The activities of central functions based in our Grantham Office have been completely re-organised, with the majority of the workforce usually based there now able to work from home as necessary. PPE supplies have been maintained and Thera has taken advantage of increasing sources of supply across the country. Some local authorities have assisted with access to their own emergency supplies.

Contractors are now returning to site for those property developments that have been delayed and we now expect this area of development activity to continue for the remainder of 2020-21.

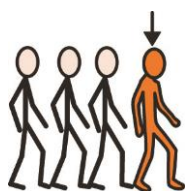
**REPORT OF THE DIRECTORS AND TRUSTEES
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property

Property Sales

At the year end, Forward Housing had identified one property as surplus to requirements. This and another property were sold after the balance sheet date. Cash receipts were £973k with a surplus on disposal of £544k.

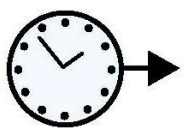


leader

New Leaders

Following appointment during the year, we have since been pleased to welcome Ben Harrison as Managing Director of Forward Housing. Gareth Jackson has joined the board of Forward Housing as a trustee.

Michelle Mansfield has been appointed Executive Chair of The Quality Company and bring her lived experience of learning disability to the role.



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.

Progress with our strategy since the end of the year has inevitably been disrupted as a result of Covid-19. In general, this has simply meant delay to certain strands of activity rather than fundamental

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disruption or change. We look forward to reviewing our strategic plan so that we are well-placed to continue the Group's work once current restrictions ease. Whilst development activity has paused since the year end, we still expect to support more people in the future.

In particular, we will continue to work with confidence using funds from our charity bond and from Cheyne Capital to provide "an ordinary house on an ordinary street" to those with a learning disability who need an adapted property in which to live. Our plans remain in place which aim 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.

We have been pleased to note that the closure, due to Covid-19, of venues where people with a learning disability have traditionally congregated, such as day centres, has prompted some innovative thinking and practice to ensure that people's support can continue in their local community.

Thera's "Thrive" project aims to transform daytime support, promoting people's independence of paid support and supporting them to do what they want to do, rather than having to fit in to defined services. The project includes community mapping of opportunities for beneficiaries and be-friending training for staff.

Thera Trust

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Progress with the project meant that we were able to start to respond quickly to the challenges presented to the closure of such venues as a result of Covid-19. People were able to benefit from a greater volume of paid individual support whilst expanding their options beyond paid support.

In addition, Thera is collaborating with Aldingbourne Trust and New Prospects to develop a citizens' assembly approach to discover what people want from their support, led by people themselves, families, local community leaders, facilities, businesses and others – to support and enable them to lead the re-development of their support. We look forward to reporting on this exciting project next year!



Thera's Money

Thera's ongoing operations and future growth are expected to see a further increase in turnover and reserves in 2020-21 and future years in line with the Reserves Policy. Turnover in 2020-21 is expected to exceed £75 m.

Planned Covenant EBITDA for 2020-21 exceeds £1.8m, although the complete impact of Covid-19 on trading remains to be seen.

Cash will be invested in line with Thera's Treasury Management Policy.

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At the date of this report, Forward Housing had a healthy pipeline of 14 properties benefitting up to 29 tenants.

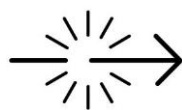


infrastructure

Group Infrastructure Development

The plan agreed by trustees in 2019 to develop Thera's infrastructure, 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 has inevitably fallen behind since the year end. This important area of work will progress now from early 2021.

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.



impact

Increasing Our Charitable Impact

In line with our continued commitment to manage and report our charitable impact, we are investing in technology as part of the Group's wider IT strategy to enable us to measure on a longer term basis, the impact of our work.

In parallel, we are reviewing our social impact framework to reflect our learning over its first five years of operation.

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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.

THERA TRUST
REPORT OF THE DIRECTORS AND TRUSTEES
(INCLUDING STRATEGIC REPORT)
year ended 31 March 2020

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

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 15th December 2020 and signed on their behalf by

Simon Conway
Trustee / Secretary

Jennifer Garrigan
Trustee

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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

OPINION

We have audited the financial statements of Thera Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 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 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

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

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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

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

RESPONSIBILITIES OF TRUSTEE DIRECTORS

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

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

**Trustee Directors' responsibilities are explained on page 5.
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.

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

This page explains how the Auditor checks the accounts.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

THERA TRUST

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.

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible 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.

USE OF OUR REPORT

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

THERA TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA TRUST

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.

Jonathan Orchard (Senior statutory auditor)

16 December 2020

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 2020

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

Money in	72,936,374
What we spent on staff	(58,844,331)
Other money spent	(13,863,323)
What is left over from the year	228,720
Revaluation of houses	386,700
Pension valuation	<u>189,436</u>
	<u>804,856</u>

What Thera Trust has at 31 March 2020: **£**

Land, houses and buildings	1,662,819
Equipment	1,107,298
Other assets	368,321
Investment properties	9,375,284
Investments	83,368
Stocks we own	5,515
Property to be sold	194,000
How much cash we have in the bank	1,090,666
What we are owed by others	12,064,497
What we owe to others	<u>(13,872,605)</u>
Net amount Thera Trust has at 31 March 2020	<u>12,079,163</u>

THERA TRUST (Charity only)
(DOES NOT FORM PART OF STATUTORY ACCOUNTS)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)

for the year ended 31 March 2020

				2020	-	-	2019
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations and grants		1,776,750	173,017	1,949,767	1,329,776	275,008	1,604,784
Charitable activities							
Supporting people with a learning disability		8,566,704	-	8,566,704	7,338,965	-	7,338,965
Investments		381,686	-	381,686	298,502	-	298,502
Other		-	-	-	108,778	-	108,778
Total income		10,725,140	173,017	10,898,157	9,076,021	275,008	9,351,029
Expenditure on:							
Charitable activities							
Raising funds		58,627	-	58,627	16,130	-	16,130
Supporting people with a learning disability		8,995,721	194,756	9,190,477	8,644,550	170,237	8,814,787
Exceptional costs		400,102	-	400,102	247,608	-	247,608
Total expenditure		9,454,450	194,756	9,649,206	8,908,288	170,237	9,078,525
Net income / (expenditure) for the year	5	1,270,690	(21,739)	1,248,951	167,733	104,771	272,504
Transfers between funds	25	-	-	-	5,672	(5,672)	-
Net income / (expenditure) before other recognised gains and losses		1,270,690	(21,739)	1,248,951	173,405	99,099	272,504
Net actuarial gains on defined benefit pension schemes	23	189,436	-	189,436	44,717	-	44,717
Net movement in funds		1,460,126	(21,739)	1,438,387	218,122	99,099	317,221
Reconciliation of funds:							
Total funds brought forward		6,343,184	173,699	6,516,883	6,125,062	74,600	6,199,662
Total funds carried forward	25	7,803,310	151,960	7,955,270	6,343,184	173,699	6,516,883

THERA TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

for the year ended 31 March 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and grants	3	134,435	569,658	704,093	325,596	667,867	993,463
Charitable activities							
Supporting people with a learning disability	4	70,902,656	-	70,902,656	67,965,728	-	67,965,728
Rental income	4	1,299,530	-	1,299,530	996,020	-	996,020
Investments		30,095	-	30,095	19,349	-	19,349
Total income		72,366,716	569,658	72,936,374	69,306,693	667,867	69,974,560
Expenditure on:							
Charitable activities							
Raising funds	6	94,943	-	94,943	58,845	-	58,845
Supporting people with a learning disability	6	71,752,240	532,465	72,284,705	68,494,171	497,107	68,991,278
Exceptional costs	6	328,006	-	328,006	428,616	-	428,616
Total expenditure		72,175,189	532,465	72,707,654	68,981,632	497,107	69,478,739
Net income before net gains on investments		191,527	37,193	228,720	325,061	170,760	495,821
Net (losses)/gains on investment properties	14	386,700	-	386,700	263,648	-	263,648
Net income for the year	5	578,227	37,193	615,420	588,709	170,760	759,469
Transfers between funds	25	(2,706)	2,706	-	5,449	(5,449)	-
Net income before other recognised gains		575,521	39,899	615,420	594,158	165,311	759,469
Net actuarial gains on defined benefit pension schemes	23	189,436	-	189,436	44,717	-	44,717
Net movement in funds		764,957	39,899	804,856	638,875	165,311	804,186
Reconciliation of funds:							
Total funds brought forward		10,937,455	336,852	11,274,307	10,298,580	171,541	10,470,121
Total funds carried forward	25	11,702,412	376,751	12,079,163	10,937,455	336,852	11,274,307

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 2020

COMPANY REGISTRATION NUMBER 03593418

		Group		Charity	
	Note	2020 £	2019 £	2020 £	2019 £
Fixed assets:					
Intangible fixed assets	12	368,321	429,708	368,321	429,708
Tangible assets	13	2,770,117	2,709,135	1,545,416	1,422,333
Investment properties	14	9,375,284	7,127,097	-	-
Investments	15	83,368	161,368	-	303,942
		12,597,090	10,427,308	1,913,737	2,155,983
Current assets:					
Property held for sale		194,000	-	-	-
Stocks		5,515	-	-	-
Debtors (Including those due in more than one year)	17	12,064,497	11,600,219	17,111,554	12,764,405
Cash at bank and in hand		1,090,666	4,218,874	444,849	3,826,639
		13,354,678	15,819,093	17,556,403	16,591,044
Current liabilities:					
Creditors falling due within one year	19	(7,538,966)	(6,155,400)	(3,621,454)	(2,446,890)
Net current assets		5,815,712	9,663,693	13,934,949	14,144,154
Total assets less current liabilities		18,412,802	20,091,001	15,848,686	16,300,137
Long term liabilities:					
Creditors falling due after one year	22	(5,950,639)	(8,127,694)	(7,510,416)	(9,094,254)
Net assets excluding pension liability		12,462,163	11,963,307	8,338,270	7,205,883
Defined benefit pension scheme liability	23	(383,000)	(689,000)	(383,000)	(689,000)
Total net assets		12,079,163	11,274,307	7,955,270	6,516,883
Funds:					
Restricted income funds		376,751	336,852	151,960	173,699
Unrestricted income funds:					
Designated funds		47,992	27,760	32,992	23,467
Revaluation reserve		1,475,337	1,098,848	27,867	27,867
General funds		10,179,083	9,810,847	7,742,451	6,291,850
Total unrestricted funds		11,702,412	10,937,455	7,803,310	6,343,184
Total funds	25	12,079,163	11,274,307	7,955,270	6,516,883

Approved by the trustees on 15 December, 2020 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 2020

	Note	£	2020 £	Restated 2019 £
Net cash provided by / (used in) operating activities	26		384,750	(952,819)
Cash flows from investing activities:				
Proceeds from the sale of fixed assets		3,050	8,049	
Proceeds from the sale of investments		81,750	-	
Proceeds from sale of investment properties		-	529,067	
Purchase of fixed assets		(458,734)	(621,295)	
Purchase of investments		-	(161,368)	
Interest received		26,345	19,349	
Payments to acquire investment properties		(2,055,487)	(244,569)	
			(2,403,076)	(470,767)
Cash flows from financing activities:				
Repayments of borrowing		(173,439)	(1,318,121)	
Receipts from issue of new bonds		-	2,454,500	
Receipts from new finance lease contracts		-	194,304	
Repayments of obligations under a finance lease		(67,168)	(87,528)	
Interest paid		(450,231)	(427,236)	
Net cash (used in) / provided by financing activities			(690,838)	815,919
Change in cash and cash equivalents in the year			(2,709,164)	(607,667)
Cash and cash equivalents at the beginning of the year			3,799,830	4,407,497
Cash and cash equivalents at the end of the year	27		1,090,666	3,799,830

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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, 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) 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 2020

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 2020

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, Unity Works Social Enterprises, 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 2020

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) Property held for resale

Where a property becomes vacant and there is no intension for it to be reoccupied by beneficiaries of the Thera Trust group and the property is thus offered for sale, the property will then be classified as held for resale in the accounts. In regards to valuation, if the properties were valued based on vacant market possession then there would be a significant difference in the valuation of the properties, however, this would only ever be relevant when they are surplus to requirements.

p) Debtors

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

q) 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.

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 2020

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

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

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

Defined contribution schemes

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

THERA Trust and Aspire Living participate in The Pensions Trust Social Housing Pension Scheme (DC) and contributions are charged against net income in the period in which they are payable. The scheme is a defined contribution scheme and the pension charge represents the amounts payable by each company to the fund in respect of the year.

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

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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.

Ansar Projects participated in the Pensions Trust Flexible Retirement plan during the year however as of the 1st January 2020 the members of the scheme have been transferred over to 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.

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. In the current year, Ansar Projects and Thera East Midlands are now participating in the scheme also. 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.

v) Parent charity and financial support

An Intra-Group Agreement exists between Thera Trust and twenty seven 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 to balances arising from operational activities and gift aid. 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 2020

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, 2020, over a portfolio of 58 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 2020

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 £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Donations	8,112	-	8,112	35,211	-	35,211
Grants:						
Scottish Government	-	22,500	22,500	-	67,600	67,600
Scottish Government Pilot Project/TEN Project	-	-	-	-	35,563	35,563
The Big Lottery Fund	-	115,573	115,573	-	129,621	129,621
Riverside Development Project	-	25,000	25,000	-	-	-
Greenwich Work Train	-	145,000	145,000	-	146,249	146,249
Islington Pro-Work	-	-	-	-	15,261	15,261
Building Bridges	-	35,248	35,248	-	50,646	50,646
Gig Buddies	-	55,789	55,789	-	50,105	50,105
Natwest Project	-	9,990	9,990	-	-	-
Workforce development fund	-	-	-	-	41,895	41,895
John Lyons Pro Works	-	-	-	-	32,000	32,000
Deloitte	-	26,000	26,000	-	-	-
Tudor Trust	-	-	-	-	15,000	15,000
Apprenticeship levy						
Government Grant	-	26,147	26,147	-	43,860	43,860
Innovate & Cultivate	-	41,946	41,946	-	-	-
Building Better Opportunities	-	42,009	42,009	-	-	-
Other	126,323	24,456	150,779	189,890	40,067	229,957
	<u>134,435</u>	<u>569,658</u>	<u>704,093</u>	<u>225,101</u>	<u>667,867</u>	<u>892,968</u>
Leased investment properties at donated value	-	-	-	506,300	-	100,495
	<u>134,435</u>	<u>569,658</u>	<u>704,093</u>	<u>731,401</u>	<u>667,867</u>	<u>993,463</u>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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 £1,299,530 (2019 - £996,020).

	2020 Total £	2019 Total £
East Anglia	11,582,567	10,900,186
East	13,148,802	12,502,376
East Midlands	11,742,988	9,945,561
West	6,496,057	6,361,301
South Midlands	5,762,949	6,856,042
South West	8,167,113	7,774,014
North	5,748,018	5,506,702
Scotland	3,404,711	3,411,916
London	4,302,617	3,979,235
Other	546,834	728,395
Supporting people with a learning disability	70,902,656	67,965,728
Rental income	1,299,530	996,020
Income from charitable activities	72,202,186	68,961,748

5 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Operating lease rentals:		
- motor vehicles	365,398	323,973
- land and buildings	1,309,461	1,302,636
External auditors remuneration (excluding VAT):		
Audit	167,990	157,810
Other services	54,871	51,157
Audit- In respect of the prior year	43,172	32,886
Other services - In respect of the prior year	-	12,350
Internal auditors remuneration (excluding VAT)	21,960	3,150
Depreciation of owned assets	397,752	349,317
Amortisation of goodwill	61,387	7,259
(Surplus)/Losses on disposal:		
Fixed Assets	(3,050)	(21,343)
Investment properties	-	19,777
Investments	(3,750)	-

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

6 Total expenditure

The group	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Raising funds						
Fundraising and publicity	94,943	-	94,943	58,845	-	58,845
	<u>94,943</u>	<u>-</u>	<u>94,943</u>	<u>58,845</u>	<u>-</u>	<u>58,845</u>
Direct costs of supporting						
Staff and agency costs	57,063,750	276,831	57,340,581	54,367,889	233,895	54,601,784
Property costs	2,098,577	-	2,098,577	2,000,667	-	2,000,667
Other direct costs	2,958,712	255,634	3,214,346	3,083,774	263,212	3,346,986
Support costs (below)	9,001,008	-	9,001,008	8,575,161	-	8,575,161
Governance costs (below)	630,193	-	630,193	466,680	-	466,680
	<u>71,752,240</u>	<u>532,465</u>	<u>72,284,705</u>	<u>68,494,171</u>	<u>497,107</u>	<u>68,991,278</u>
Support costs						
Staff and agency costs	4,298,148	-	4,298,148	4,224,188	-	4,224,188
Net operating cost of defined benefit pension scheme	22,000	-	22,000	27,000	-	27,000
Property costs	825,392	-	825,392	977,879	-	977,879
Depreciation, amortisation	459,139	-	459,139	356,577	-	356,577
Other support costs	3,396,329	-	3,396,329	2,989,517	-	2,989,517
	<u>9,001,008</u>	<u>-</u>	<u>9,001,008</u>	<u>8,575,161</u>	<u>-</u>	<u>8,575,161</u>
Governance						
Staff costs	82,251	-	82,251	86,315	-	86,315
Legal and professional	467,472	-	467,472	371,416	-	371,416
Other	80,470	-	80,470	8,949	-	8,949
	<u>630,193</u>	<u>-</u>	<u>630,193</u>	<u>466,680</u>	<u>-</u>	<u>466,680</u>

Exceptional costs of £328,006 (2019 - £428,616) have been incurred in 2020, £238,790 (2019 - £288,966) due to employment and other costs in relation to restructuring, £15,812 (2019: £23,576) for the start up and closure costs of Social Enterprise cafes, £44,357 (2019: Nil) in relation to professional and other costs, £29,047 in relation to Covid-19 (2019: £Nil), £Nil (2019 £45,141) in relation to energy billing omissions and £Nil (2019: £70,933) for the loss on disposal of an investment property.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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 £	2020 Total £
Mrs K Boyce-Dawson	104,537	13,186	15,000	132,723
Mr S Conway	114,136	13,343	11,800	139,279
Ms J Garrigan	115,289	17,719	11,769	144,777
Mr M Smith	40,913	5,044	1,228	47,185
	374,875	49,292	39,797	463,964

	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 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 (2019 - 4) Directors in respect of a defined contribution scheme.

During the period 9 Trustees (2019 - 11) received reimbursed expenses relating to travel and accommodation amounting to £55,755 (2019 - £41,100). 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 £115,289 (2019 - £121,649) (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 £11,769 (2019 - £11,810).

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	53,795,009	52,487,640
Redundancy and termination costs	94,018	83,998
Social security costs	3,957,282	3,851,691
Employer's contribution to defined contribution pension schemes	631,466	702,455
Employer's contribution to defined benefit pension schemes	344,556	515,023
Operating cost of defined benefit pension schemes	22,000	27,000
	58,844,331	57,667,807

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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:

	2020 No.	2019 No.
£60,000 - £69,999	9	6
£70,000 - £79,999	3	6
£80,000 - £89,999	1	-
	13	12

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 £458,696 (2019 - £459,502).

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 3,139 (2019 - 3,286).

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

	2020 No.	2019 No.
Direct and relief support work	3,055	3,200
Management and administration	84	86
	3,139	3,286

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:

	2020 £	2019 £
Management charges from Thera Trust to subsidiary undertakings	8,505,000	7,291,000
Donations under gift aid from subsidiary undertakings to Thera Trust	1,763,589	1,319,202
Social investment grants from Thera Trust to Dosh, The Quality Company, Equal Futures, Thera East Midlands, Thera East Anglia and Unity Works Social Enterprises (2019: in addition includes The Camden Society)	471,140	1,049,996

Transactions with directors

Bill Carter, Chairman and a director of Thera Trust, had provided consultancy services to Thera Trust during the previous year under a contract for services. The amount charged to the company during 2019 for this consultancy and associated expenses amounted to £5,346. There are no transactions with directors in this current year.

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 2020

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	613,868	613,868
At the end of the year	613,868	613,868
Amortisation		
At the start of the year	184,160	184,160
Charge for the year	61,387	61,387
At the end of the year	245,547	245,547
Net book value		
At the end of the year	368,321	368,321
At the start of the year	429,708	429,708

The charity

	Goodwill £	Total £
Cost		
At the start of the year	613,868	613,868
At the end of the year	613,868	613,868
Amortisation		
At the start of the year	184,160	184,160
Charge for the year	61,387	61,387
At the end of the year	245,547	245,547
Net book value		
At the end of the year	368,321	368,321
At the start of the year	429,708	429,708

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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	3,295,781	5,393,044
Additions in year	-	-	458,734	458,734
Disposals in year	-	-	(13,000)	(13,000)
At the end of the year	747,263	1,350,000	3,741,515	5,838,778
Depreciation				
At the start of the year	349,021	21,300	2,313,588	2,683,909
Charge for the year	42,823	21,300	333,629	397,752
Eliminated on disposal	-	-	(13,000)	(13,000)
At the end of the year	391,844	42,600	2,634,217	3,068,661
Net book value				
At the end of the year	355,419	1,307,400	1,107,298	2,770,117
At the start of the year	398,242	1,328,700	982,193	2,709,135
The charity				
		Freehold land and property £	Fixtures and fittings and equipment £	Total £
Cost or revaluation				
At the start of the year		600,000	2,816,395	3,416,395
Additions in year		-	437,007	437,007
At the end of the year		600,000	3,253,402	3,853,402
Depreciation				
At the start of the year		9,000	1,985,062	1,994,062
Charge for the year		9,000	304,924	313,924
At the end of the year		18,000	2,289,986	2,307,986
Net book value				
At the end of the year		582,000	963,416	1,545,416
At the start of the year		591,000	831,333	1,422,333

Included above is freehold land with an assessed value of £150,000 (2019: £150,000). This value is not depreciated in the accounts.

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

	Freehold land and property £	2020 £	2019 £
Cost	1,639,651	1,639,651	1,639,651
Accumulated depreciation	(580,198)	(580,198)	(516,298)
At the end of the year	1,059,453	1,059,453	1,123,353

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

14 Investment properties

	Owned £	Group Leased £	2020 £	Charity 2020 £
Fair value at the start of the year	3,661,570	3,465,527	7,127,097	-
Additions including donations	2,055,487	-	2,055,487	-
Revaluation during the year	-	386,700	386,700	-
Property held for resale	(194,000)	-	(194,000)	-
Fair value at the end of the year	5,523,057	3,852,227	9,375,284	-

	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	-

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 on the then current and future rental yields on properties where an under-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 or, where appropriate, upon vacant market possession. The trustees do not consider any further revaluation on the owned properties necessary at 31st March, 2020 because there have been no fundamental change in rental flows in the under-leases on those owned properties. A professional revaluation will be taken at 31st March 2021. All of the investment properties owned by the charity are located within the United Kingdom. The majority of these properties are held for use in operating leases. Two properties were identified for future sale at the year end (2019: nil).

Some properties are leased by the charity and then under-let to a Registered Housing Provider. There is an economic benefit inherent in certain leases granted on these properties measured at fair value over their extended lifetime. This has given rise to a re-valuation of that benefit at the year-end.

15 Investments

The charity - Controlled subsidiary undertakings

Cost of investment in Folegandros (formally known as Ansar Projects Ltd)

	Charity 2020 £	2019 £
Cost of investment at the start of the year	303,942	303,942
Impairment during the year	(303,942)	-
Cost of investment at the end of the year	-	303,942

Thera Trust holds an investment in Folegandros (formally known as Ansar Projects Limited). During the previous year, 2019, the directors and senior management team of Folegandros 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. Solely as a result of the change in corporate structure, the carrying value of the investment in Folegandros has been written down to zero.

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 2020

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	
Kimolos Limited (formally 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	
The Camden Society Trading Limited	England and Wales	Limited by guarantee	10695786	
Ansar Projects Limited	England and Wales	Limited by guarantee	11904307	
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	

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

15 Investments

Controlled subsidiary undertakings (continued)

Company	Country of registration or incorporation	Company	Charity
Tera (Scotland) Trading Limited *	Scotland	Limited by guarantee	SC 561756
Aspire Living Trading Limited *	England and Wales	Limited by guarantee	10695243
Ansar Projects Trading Limited *	England and Wales	Limited by guarantee	10695377
The Quality Company Limited (formally Kimolos Limited)**	England and Wales	Limited by guarantee	12591280

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

The entity above marked with asterisks ** was incorporated on the 7 May 2020.

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

- Tera Scotland, Tera (Scotland) Trading and Equal Futures - 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 £
Tera East Anglia	11,646,069	(11,075,207)	570,862	570,862
Tera East	13,172,961	(12,677,234)	495,727	495,727
Tera East Midlands	11,562,440	(11,071,729)	490,711	490,711
Tera East Midlands Trading	9,329,801	(9,329,801)	-	-
Tera North	3,820,605	(3,770,483)	50,122	-
Tera North Trading	420,343	(420,343)	-	-
Tera West	10,815	(35)	10,780	10,780
Tera South Midlands	1,316,758	(1,316,758)	-	-
Tera South Midlands Trading	1,241,848	(1,241,848)	-	-
Tera (Scotland)	3,404,711	(3,551,159)	(146,448)	-
Tera South West	8,167,113	(8,368,812)	(201,699)	-
Dosh Limited	708,451	(802,421)	(93,970)	-
Kimolos (formerly The Quality Company Limited)	305,683	(225,862)	79,821	79,821
Forward Housing (formerly Forward Housing SW)	1,724,944	(1,529,025)	195,919	-
The Camden Society	9,471,947	(10,114,865)	(642,918)	-
The Camden Society Trading	225,769	(225,769)	-	-
Equal Futures	140,265	(107,363)	32,902	-
Aspire Living Limited	6,595,794	(6,385,233)	210,561	-
Ansar Projects	1,928,223	(1,833,145)	95,078	95,078
Unity Works Social Enterprises limited	2,358,315	(2,700,257)	(341,942)	-
The Camden Society (London) Limited	3,119,473	(3,098,863)	20,610	20,610

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

15 Investments (continued)

	Assets £	Liabilities £	Capital and reserves £
Tera East Anglia	1,067,723	(1,067,723)	-
Tera East	2,716,865	(2,716,865)	-
Tera East Midlands	1,032,429	(1,032,429)	-
Tera East Midlands Trading	483,721	(483,721)	-
Tera North	483,502	(887,327)	(403,825)
Tera North Trading	6,579	(6,579)	-
Tera West	172,186	(10,780)	161,406
Tera South Midlands	62,018	(62,018)	-
Tera South Midlands Trading	164,039	(164,039)	-
Tera (Scotland)	507,189	(1,418,720)	(911,531)
Tera South West	1,741,532	(1,943,231)	(201,699)
Dosh Limited	128,559	(993,583)	(865,024)
Kimolos (formerly The Quality Company Limited)	87,801	(87,801)	-
Forward Housing (formerly Forward Housing SW)	9,576,184	(4,736,863)	4,839,321
Uemploy Limited	-	(105,887)	(105,887)
The Camden Society	2,295,084	(2,640,543)	(345,459)
The Camden Society Trading	270,923	(270,923)	-
Equal Futures	90,638	(2,588)	88,050
Aspire Living Limited	2,619,150	(220,509)	2,398,641
Ansar Projects	377,345	(377,345)	-
Folegandros (formerly Ansar Projects Limited)	105,594	(98,738)	6,856
Unity Works Social Enterprises limited	169,592	(706,549)	(536,957)
The Camden Society (London) Limited	261,666	(261,666)	-

Joint Venture

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

There was no cost of investment to Tera 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:

	2020	2019
	£	£
Gross income	10,898,157	9,351,029
Total expenditure on charitable activities	(8,460,318)	(8,053,096)
Costs of generating funds	(558,695)	(558,749)
Governance costs	(630,193)	(466,680)
Remeasurement loss on defined benefit pension scheme	189,436	44,717
Net gain on fixed assets	-	-
Net income	1,438,387	317,221
Total funds brought forward	6,516,883	6,199,662
Total funds	7,955,270	6,516,883

Gross income is inclusive of donations made under gift aid of £1,763,589 (2019 - £1,319,203) from its subsidiaries, as detailed in note 15.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

17 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Due after more than one year				
Amounts owed from group undertakings	-	-	16,336,571	11,813,307
Due within one year				
Operational debtors	5,527,545	4,192,911	98,762	66,771
Other debtors	937,688	789,598	103,677	27,265
Prepayments and accrued income	5,599,264	6,617,710	572,544	857,062
	12,064,497	11,600,219	17,111,554	12,764,405

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 £72,779 (2019: £37,860) and in individual accounts amounting to £11,909,234 (2019: £10,275,704). These funds have not been included as assets or liabilities of the company.

19 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Overdraft and bank loans	135,895	550,201	135,895	550,201
Other loans	1,985,502	42,263	1,985,502	-
Amounts due under finance leases	56,193	67,722	56,193	67,722
Operational creditors	708,402	1,041,909	339,031	557,854
Taxation and social security	1,975,526	1,710,323	714,465	631,813
Other creditors	652,550	913,967	25,276	377,306
Accruals and deferred income	2,024,898	1,829,015	365,092	261,994
	7,538,966	6,155,400	3,621,454	2,446,890

20 Deferred income

Deferred income comprises payments in advance of services.

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	50,517	283,975	-	49,009
Amount released to income in the year	(50,517)	(283,975)	-	(49,009)
Amount deferred in the year	177,018	50,517	-	-
	177,018	50,517	-	-

21 Net current assets

	The Camden Society	Other	Group
	£	£	£
Property held for sale	-	194,000	194,000
Stocks	-	5,515	5,515
Debtors	1,532,254	10,532,243	12,064,497
Cash at bank and in hand	198,385	892,281	1,090,666
Creditors: amounts falling due within one year	(282,174)	(7,256,792)	(7,538,966)
Net assets at 31 March 2020	1,448,465	4,367,247	5,815,712

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

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

22 Creditors: amounts falling due after one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loans	971,379	1,112,138	971,379	1,112,138
Other loans	4,860,062	6,840,719	4,860,062	6,820,517
Amounts due under finance leases	119,198	174,837	119,198	174,837
Amounts due to group undertakings	-	-	1,559,777	986,762
	5,950,639	8,127,694	7,510,416	9,094,254

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Analysis of loans				
Total loans repayable	7,952,838	8,126,277	7,952,838	8,063,812
Included in current liabilities	(2,121,397)	(173,420)	(2,121,397)	(131,157)
	5,831,441	7,952,857	5,831,441	7,932,655

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Loan maturity analysis				
Within one year	2,121,397	173,420	2,121,397	131,157
Two - five years	5,831,441	7,952,857	5,831,441	7,932,655
	7,952,838	8,126,277	7,952,838	8,063,812

Within bank loans is a Bank of Scotland loan with a current balance of £0.16m 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 £0.9m, 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).

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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

23 Pension schemes

Defined benefit multi-employer schemes

Local Government Pension Scheme - Nottinghamshire

Tera 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 £17,209 (2019 - £20,484). The amount outstanding in respect of employer and employee contributions for this Scheme at the year end was £Nil (2019 - £Nil).

As at the balance sheet date there were 5 (2019 - 6) active members of the Scheme employed by Tera 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 2019 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 £5,415 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £405 million, equivalent to a past service funding level of 93%.

The next triennial formal valuation of the Scheme is due as at 31 March, 2022.

Tera 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, Tera 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 £60,733 (2019 - £91,305). As at the balance sheet date there were 16 (2019 - 20) active members of the Scheme employed by the Society. The amount outstanding in respect of this Scheme at the year-end was £Nil (2019 - £3,758).

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 - Worcestershire

Aspire Living Limited participates in the Worcestershire 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 £84,569 (2019 - £87,003). The amount outstanding in respect of employer and employee contributions for this Scheme at the year-end was £8,929 (2019 - £9,052).

As at the balance sheet date there were 22 (2019 - 24) 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 2019 by a professionally qualified Actuary. The market value of the Scheme's assets at the valuation date was £2,795 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £295 million, equivalent to a past service funding level of 90%. This is an increase on the 75% funded position as a result of the 2016 valuation.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

23 Pension schemes (continued)

Defined benefit multi-employer schemes (continued)

Local Government Pension Scheme - Worcestershire (continued)

A common rate of contribution of 17.5% 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 £295 million would be eliminated by a contribution addition of £28 million per annum increasing at 3.9% per annum for 15 years.

The next triennial formal valuation of the Scheme is due as at 31 March 2022.

Local Government Pension Scheme - Wiltshire

Thera South West employs a number of staff who transferred under TUPE regulations with an entitlement to membership of the Wiltshire County Council Local Government Pension Scheme. The company is in negotiations with the Council and expects an application to the Scheme to be approved in due course.

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 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 £169,946 (2019 - £185,073). The amount outstanding at 31 March, 2020 was £Nil (2019 - £Nil).

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

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the 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 latest 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 to 20.6%, and the Scheme Regulations were amended accordingly.

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 2020

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 (LBSPF), part of the National Local Government Pension Scheme (LBSPF). 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 £nil (2019: £15,906). As at the balance sheet date there were Nil (2019: Nil) active members of the Scheme employed by the Society. The amount outstanding in respect of this Scheme at the year-end was £Nil (2019: £Nil).

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 £659,804 (2019 - £480,696). The amount outstanding in respect of the Fund at the year end was £5,783 (2019 - £5,090).

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 £85,716 (2019 - £66,018). The amount outstanding in respect of this scheme at the year-end was £15,564 (2019 - £Nil).

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 £11,650 (2019 - £12,906). The amount outstanding in respect of this scheme at the year-end was £1,611 (2019 - £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 £26,537 (2019 - £20,318). The amount outstanding in respect of this Scheme at the year-end was £4,997 (2019 - £Nil).

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 £278,748 (2019 - £198,059) which included £136,656 (2019 - £115,252) of past service deficit contributions. At the year end, £334 (2019 - £166) was outstanding in respect of the Scheme.

As at the balance sheet date there were 115 (2019 - 113) active members of the Scheme employed by Thera Trust.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

23 Pension schemes (continued)

Social Housing Pension Scheme - defined benefit

Thera 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, Thera 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 Thera'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 2020 and 31 March 2019 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

	2020	2019
	No.	No.
Active	3	3
Deferred	33	34
Pensioners	9	8

Financial assumptions

	2020	2019
	% pa	% pa
Rate of discount	2.65	2.66
Price inflation (RPI)	2.85	3.24
Price inflation (CPI)	1.85	2.24
Earnings increases	2.85	2.24
Allowance for commutation of pension for cash at retirement	75%	75%

Other material assumptions

Life expectancies in retirement:	years	years
Male currently aged 65	21.50	21.80
Female currently aged 65	23.30	23.50
Male currently aged 45	22.90	23.20
Female currently aged 45	24.50	24.70

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

23 Pension schemes (continued)

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

	2020 £'000	2019 £'000
Fair value of plan assets	2,511	2,404
Present value of defined benefit obligation	(2,894)	(3,093)
Surplus / (deficit) in plan	(383)	(689)
Defined benefit asset /(liability) to be recognised	(383)	(689)
	<hr/>	<hr/>
Net defined benefit / (liability) to be recognised	<u>(383)</u>	<u>(689)</u>

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

	2020 £'000	2019 £'000
Opening fair value of employer assets	2,404	2,233
Interest income	65	66
Experience on plan assets	(44)	5
Contributions by the employer	137	120
Benefits paid and expenses	(51)	(20)
	<hr/>	<hr/>
Closing fair value of employer assets	<u>2,511</u>	<u>2,404</u>

Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

	2020 £'000	2019 £'000
Opening defined benefit obligation	3,093	3,033
Current service cost	-	-
Expenses	5	5
Interest cost	82	88
Contributions by members	-	-
Withdrawals by Employees	-	-
Actuarial losses / (gains)	(235)	(13)
Benefits paid and expenses	(51)	(20)
	<hr/>	<hr/>
Closing defined benefit obligation	<u>2,894</u>	<u>3,093</u>

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

23 Pension schemes (continued)

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

	2020	2019
	£'000	£'000
Current service cost	-	-
Expenses	5	5
Net interest expense	17	22
	<hr/>	<hr/>
Defined benefit costs recognised in the SOFA	22	27
	<hr/>	<hr/>
Actual return on employer assets	(308)	71
	<hr/>	<hr/>

Fair value of employer assets

	2020	2019
	£'000	£'000
Global Equity	367	404
Absolute Return	131	208
Distressed Opportunities	48	44
Credit Relative Value	69	44
Alternative Risk Premia	176	139
Fund of Hedge Funds	1	11
Emerging Markets Debt	76	83
Risk Sharing	85	73
Insurance-Linked Securities	77	69
Property	55	54
Infrastructure	187	126
Private Debt	51	32
Opportunistic Illiquid Credit	61	-
Corporate Bond Fund	143	112
Liquid Credit	1	-
Long Lease Property	43	35
Secured income	95	86
Over 15 Year Gilts	-	-
Liability Drive Investment	834	879
Net Current Assets	11	5
	<hr/>	<hr/>
	2,511	2,404
	<hr/>	<hr/>

FRS102 pension liability reconciliation 2020

	Assets	Liabilities	Total
	£'000	£'000	£'000
Brought forward	2,404	(3,093)	(689)
Actuarial gains/(losses)	-	235	235
Expenses	-	(5)	(5)
Experience on Plan Assets	(44)	-	(44)
Interest	65	(82)	(17)
Contributions in - e'er	137	-	137
Benefits out	(51)	51	-
	<hr/>	<hr/>	<hr/>
At year end	2,511	(2,894)	(383)
Net change in scheme surplus/(deficit)			306
Net current service cost / expense in SoFA			(22)

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

23 Pension schemes (continued)

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)

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 (2019 - £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 £4,929 (2019 - £27,706). As at the balance sheet date there were 2 active members of the Scheme employed by the Society (2019 - 2). 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 (2019 - £Nil).

The Pensions Trust Flexible Retirement Plan

The Camden Society and Folegandros previously participated in The Pensions Trust Flexible Retirement Plan, which is also a defined contribution scheme but there were no contributions during the year (2019: £75,306). Ansar Projects began participating to the scheme on the 1st April 2019 with contributions to the scheme during the period amounted to £18,948. The members of this scheme were transferred to The People's Pension Fund as of 1st January 2020. At the balance sheet date there were Nil (2019 - 51) active members of the scheme. The amount outstanding in respect of this Scheme at the year-end was £Nil (2019 - £716).

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. In the current year, Ansar Projects and Thera East Midlands are now participating in the scheme also. Contributions payable during the period amount to £171,562 (2019 - £27,263). The amount outstanding in respect of this Scheme at the year-end was £Nil (2019 - £Nil). At the balance sheet date there were 429 active members of the scheme employed by the society (2019 - 377).

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

	General unrestricted £	Revaluation reserve £	Designated funds £	Restricted funds £	Total funds £
Intangible fixed assets	368,321	-	-	-	368,321
Tangible fixed assets	2,293,030	477,087	-	-	2,770,117
Investment properties owned	5,560,230	(37,173)	-	-	5,523,057
Investment properties leased	2,816,804	1,035,423	-	-	3,852,227
Investments	83,368	-	-	-	83,368
Net current assets	5,390,969	-	47,992	376,751	5,815,712
Long term liabilities	(5,950,639)	-	-	-	(5,950,639)
Defined benefit pension scheme liability	(383,000)	-	-	-	(383,000)
Net assets at 31 March 2020	10,179,083	1,475,337	47,992	376,751	12,079,163

24b Analysis of restated group net assets between funds (prior 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 1 April 2019	9,810,847	1,098,848	27,760	336,852	11,274,307

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

25a Movements in funds (current year)

	Restated At 1 April 2019 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2020 £
Restricted funds:					
Support for Ms TE	2,356	-	-	-	2,356
Loughborough sensory room and garden	777	-	(359)	-	418
Other property-specific projects	33,844	-	(1,586)	-	32,258
The Hollies fund	2,663	-	-	-	2,663
L and D generic training	8,914	-	(170)	-	8,744
Holiday support fund	977	-	-	-	977
Horse riding, Boston	35	-	(35)	-	-
Innovation Bursary Safe and Secure	(1,002)	-	(1)	-	(1,003)
Sawston Hydrotherapy Pool	1,766	3,250	(2,104)	-	2,912
Clacton Beach Hut	708	96	(953)	-	(149)
Gig buddies	14,038	55,789	(59,629)	-	10,198
TEN project	5,747	-	(124)	-	5,623
Building Bridges	8,004	35,248	(33,589)	-	9,663
Allsorts	353	106	-	-	459
Grantham	54	-	-	-	54
Scottish NVQ	45,278	-	(642)	-	44,636
Natwest Project (DOSH)	5,248	9,990	(15,238)	-	-
Happy Snapper	79	1	-	-	80
Apprenticeship levy - Government Grant	43,860	26,147	(58,049)	-	11,958
Innovate & Cultivate	-	41,946	(22,278)	-	19,668
Riverside Project	-	445	-	-	445
Total restricted funds	173,699	173,018	(194,757)	-	151,960
Unrestricted funds:					
Designated development fund	23,467	-	(475)	10,000	32,992
Designated funds	23,467	-	(475)	10,000	32,992
Revaluation reserve	27,867	-	-	-	27,867
Pension reserve	(689,000)	306,000	-	-	(383,000)
General funds	6,980,850	10,419,139	(9,264,538)	(10,000)	8,125,451
General funds	6,291,850	10,725,139	(9,264,538)	(10,000)	7,742,451
Total unrestricted funds	6,343,184	10,725,139	(9,265,013)	-	7,803,310
Parent charity total funds as at 31 March 2020	6,516,883	10,898,157	(9,459,770)	-	7,955,270

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

25a Movements in funds (current year continued)

	At 1 April 2019 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2020 £
Charity total fund balance carried forward	6,516,883	10,898,157	(9,459,770)	-	7,955,270
Restricted funds:					
Dolphins Den	6	-	-	(6)	-
Scottish Government	-	22,500	(22,500)	-	-
Scottish Government (Pilot Project)	10,208	-	(10,208)	-	-
Tudor Trust	5,000	-	(5,000)	-	-
Kennyhill Bequest	4,020	4,000	(3,266)	-	4,754
Equal Futures Memberships	1,606	1,050	(1,558)	(248)	850
Corra Foundation	1,667	-	(1,667)	-	-
Stafford Trust	1,042	-	(1,042)	-	-
Hugh Fraser	-	5,000	(3,750)	-	1,250
Big Lottery Fund	35,411	115,573	(90,969)	-	60,015
The Big Lottery - Riverside Development Project	9,065	-	-	-	9,065
Riverside Development Project	-	25,000	-	-	25,000
John Lyons Pro-Work	(2,960)	-	-	2,960	-
Greenwich Work Train	34,746	145,000	(149,034)	-	30,712
Islington Pro-Work	998	-	-	-	998
Deloitte	-	26,000	(40)	-	25,960
BGC JobsOhio	-	7,476	-	-	7,476
Great Escape	-	3,033	-	-	3,033
Markyes Close	62,344	-	(6,666)	-	55,678
Building Better Opportunities	-	42,009	(42,009)	-	-
Total restricted funds	163,153	396,641	(337,709)	2,706	224,791
Unrestricted funds:					
Designated funds:					
Circle of Support	960	-	-	(960)	-
Baily Thomas	3,333	-	(3,333)	-	-
Agnes Hunter Trust	-	15,000	-	-	15,000
Total designated funds	4,293	15,000	(3,333)	(960)	15,000
Revaluation reserve	1,070,981	386,700	-	(10,211)	1,447,470
General funds	3,518,997	61,816,013	(62,906,843)	8,465	2,436,632
Total unrestricted funds	4,594,271	62,217,713	(62,910,176)	(2,706)	3,899,102
Group total funds as at 31 March 2020	11,274,307	73,512,511	(72,707,655)	-	12,079,163
	At 1 April 2019 £	Income and gains £	Expenditure and losses £	Transfers £	At 31 March 2020 £
Reconciled to:					
Unrestricted funds	9,810,847	72,541,152	(72,171,381)	(1,535)	10,179,083
Revaluation	1,098,848	386,700	-	(10,211)	1,475,337
Designation funds	27,760	15,000	(3,808)	9,040	47,992
Restricted funds	336,852	569,659	(532,466)	2,706	376,751
Group total funds as at 31 March 2020	11,274,307	73,512,511	(72,707,655)	-	12,079,163

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 2020

25b Movements in funds (prior year)

	Restated				
	At 1 April	Income and	Expenditure and	Transfers	At 31 March
	2018	gains	losses		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 2020

25b Movements in funds (prior year continued)

	Restated At 1 April 2018 £	Income and gains £	Expenditure and losses £	Transfers £	Restated 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	-	120,556	(85,145)	-	35,411
Big Lottery Fund - Riverside Development Project	-	9,065	-	-	9,065
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 & gains £	Expenditure & losses £	Transfers £	Restated At 1 April 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
Total funds	10,470,121	70,282,925	(69,478,739)	-	11,274,307

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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.

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.

Innovation Bursary Safe and Secure

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

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 2020

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.

Apprenticeship levy - Government Grant

The Apprenticeship Levy Top Up is grant funding provided by HMRC as part of the Apprenticeship Levy scheme.

Innovate & Cultivate

Funding has been received through the Cambridgeshire County Council Innovate and Cultivate fund. The money will enable the My Way project to support more people with a learning disability into employment.

Riverside Development Project

TCSL support approximately 100 people in Southwark. Successful fundraising has been agreed to invest in the development of the building. The aim of the project is to redesign the way The Riverside is used. The objective being that the local community can access and use it more and it will be seen in the community as a place where being come together and share mutual interests/ hobbies and develop natural relationships. People's circles can grow and new circles can be developed.

Scottish Government

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

Scottish Government (Pilot Project)

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

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.

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.

The National Lottery Community Fund

Employment Programme to support people with a learning disability become less isolated, improving their communication and social skills and develop new friendships. Improve their health and wellbeing.



Islington/John Lyon's 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.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

25 Movements in funds (continued)

Purposes of restricted funds (continued)

Greenwich Work Train

Employment programme that support people with a learning disability, autism and mental health issues to be work ready and move into employment. This service also develops supported volunteering opportunities for vulnerable adults.

Deloitte

Create an online portal giving students and job seekers access to a Virtual Learning Environment and Case Management System enabling people to independently access their details, CV, job search.

BGC Jobs Ohio

To purchase a coffee cart and sell coffee, thereby creating further employment of people with a learning disability.

Great Escape

Annual break for a week of activities designed to build skills and confidence for the people we support.

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.

Building Better Opportunities

Building Better Opportunities Herefordshire is funded by The National Lottery Community Fund and European Social Fund, funding supports projects in England that tackle poverty and promote social inclusion. Aspire are funded as a partnership through Landau to tackle unemployment and economic inactivity in over 19s. Our project supports adults with a learning disability to access training and progress towards employment, paid or voluntary.

Prior Year

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.

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.

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.

BailyThomas

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

Agnes Hunter

This fund has been granted for the project Social Inclusion for people with Learning Disabilities to assist people with learning disabilities to reduce loneliness and social isolation through befriending and 'Circle' building.

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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

	2020 £	2019 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	615,420	759,469
Depreciation charges and impairment	397,752	349,317
Loss on disposal of investment property	-	70,933
Surplus on disposal of fixed assets	(3,050)	(1,566)
Surplus on disposal of investments	(3,750)	-
Unrealised Gains on investment properties	(386,700)	(263,648)
Interest receivable	(26,345)	(19,349)
Interest payable	450,231	427,236
Pension interest	-	21,600
Amortisation of intangible fixed assets	61,387	7,260
Increase in stocks	(5,515)	-
Increase in debtors	(464,278)	(2,083,610)
Increase/(decrease) in creditors	(133,838)	(53,683)
Net change in the defined benefit pension liability	(116,564)	(66,283)
Donated properties	-	(100,495)
Net cash provided by / (used in) operating activities	384,750	(952,819)

27 Analysis of cash and cash equivalents

	At 1 April 2019 £	Cash flows £	Other changes £	At 31 March 2020 £
Cash at bank and in hand	4,218,874	(3,128,208)	-	1,090,666
Overdraft facility repayable on demand	(419,044)	419,044	-	-
Total cash and cash equivalents	3,799,830	(2,709,164)	-	1,090,666

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 2020 £	2019 £	Equipment 2020 £	2019 £
Less than one year	1,420,895	1,390,860	311,730	220,797
One to five years	5,606,020	5,370,124	537,357	249,886
Over five years	14,110,244	14,358,218	-	-
	21,137,159	21,119,202	849,087	470,683

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 2020 £	2019 £	Equipment 2020 £	2019 £
Less than one year	58,861	57,481	294,721	203,405
One to five years	235,444	229,924	499,301	194,821
Over five years	36,494	93,119	-	-
	330,799	380,524	794,022	398,226

THERA TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

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 2020 £	2019 £
Less than one year	1,251,827	1,143,109
One to five years	4,563,352	4,487,706
Over five years	13,285,808	13,785,026
	<hr/> 19,100,987 <hr/>	<hr/> 19,415,841 <hr/>

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.

Forward Housing SW changed its name to Forward Housing on 22nd April 2020.

Two properties have been identified as surplus to requirements. One of these properties was disposed of on the 15th June 2020. This resulted in a net capital receipt of £437,351 and a gain of £243,351. The second property was sold on the 28th August 2020. This resulted with a capital receipt of £542,213 and gain of £307,213.

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.

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.

The Quality Company changed its name to Kimolos Limited on 3rd June 2020. Once outstanding debts of the Kimolos (formerly The Quality Company) have been collected and creditors settled, it is the intention of the directors for any remaining assets to be transferred to a new company named The Quality Company (formerly Kimolos Limited) and to apply for the company to be struck off the register of companies.

On the 23rd July 2020, Thera Trust launched its fourth charity bond, the bond being for a total of £5m. over 5.5 years at a rate of 5.25%.

The organisation's response to the impact of Covid-19 is outlined in the Trustees Annual Report.

32 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 Folegandros Limited which has 2 Ordinary Shares of £1 each). The liability of each member in the event of winding up is limited to £1.