

THERA NORTH TRADING LIMITED

Registered No: 10695651

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2020



THERA NORTH TRADING LIMITED

CONTENTS

	Page
Company Information	1-2
Directors' Report	3-6
Independent Auditor's Report	7-14
Income and Expenditure Account	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18-22

THERA NORTH TRADING LIMITED

COMPANY INFORMATION

DIRECTORS

Simon Conway

Jennifer Garrigan

COMPANY SECRETARY

Tarnya Thompson

COMPANY NUMBER

10695651

REGISTERED OFFICE

134 Edmund Street
Birmingham
B3 2ES

AUDITOR

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

BANKERS

Barclays Bank PLC
43 High Street
Sutton
Surrey
SM1 1DR

THERA NORTH TRADING LIMITED

COMPANY INFORMATION

SOLICITORS

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

THERA NORTH TRADING LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2020

The directors present their report and financial statements for the year ended 31 March, 2020.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in operation.

THERA NORTH TRADING LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2020

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to contract for support to people with a learning disability in the North. The provision of support is sub-contracted to Thera North.

THERA NORTH TRADING LIMITED

DIRECTORS' REPORT **For the year ended 31 March 2020**

DIRECTORS

The directors who served during the year were:

Simon Conway

Jennifer Garrigan

The directors have no financial interest in the company, it being limited by guarantee.

DISCLOSURE OF INFORMATION TO 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 company's auditor is unaware; and
- that director has taken all the steps that ought to have been 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 NORTH TRADING LIMITED

DIRECTORS' REPORT

For the period ended 31 March 2020

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 directors' report has been prepared in accordance with the special provisions applicable to companies, subject to the small companies' regime.

Approved by the Board of Directors on 19 October 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'Simon Conway', written over a series of parallel diagonal lines.

Simon Conway
Director

THERA NORTH TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA NORTH TRADING LIMITED

OPINION

We have audited the financial statements of Thera North Trading Limited (the 'company') for the year ended 31 March, 2020 which comprise the income and expenditure account, balance sheet, 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 company's affairs as at 31 March 2020 and of its result for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

THERA NORTH TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA NORTH TRADING LIMITED

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 company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a year of at least twelve months from the date when the financial statements are authorised for issue.

THERA NORTH TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA NORTH TRADING LIMITED

OTHER INFORMATION

The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 NORTH TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA NORTH TRADING LIMITED

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Directors' 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or

THERA NORTH TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA NORTH TRADING LIMITED

- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' annual report and from the requirement to prepare a strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities, set out in the Directors' Report, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

THERA NORTH TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA NORTH TRADING LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

THERA NORTH TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA NORTH TRADING LIMITED

not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

THERA NORTH TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA NORTH TRADING LIMITED

USE OF OUR REPORT

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the 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

THERA NORTH TRADING
(A company limited by guarantee)
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2020

	Note	2020 Total £	2019 Total £
Turnover	3	420,343	377,979
Direct costs		(414,343)	(370,979)
Gross surplus		6,000	7,000
Administrative expenses		(6,000)	(7,000)
Operating result	4	-	-
Interest receivable and similar income		-	-
Result from ordinary activities before taxation		-	-
Taxation on result on ordinary activities	7	-	-
Total comprehensive income		-	-
Retained earnings at the beginning of the period		-	-
Retained earnings at the end of the period		-	-

The above Income and Expenditure Account is the equivalent of the Statement of Income and Retained Earnings.

All of the activities relate to continuing operations.

THERA NORTH TRADING
(A company limited by guarantee)

BALANCE SHEET


as at 31 March 2020

COMPANY REGISTRATION NUMBER 10695651

	Note	£	2020 £	£	2019 £
Current assets:					
Debtors	8	6,329		9,253	
Cash at bank and in hand		250		6,036	
		<u>6,579</u>		<u>15,289</u>	
Current liabilities:					
Creditors falling due within one year	9	<u>(6,579)</u>		<u>(6,300)</u>	
Net current assets			<u>-</u>		<u>8,989</u>
Total assets less current liabilities			<u>-</u>		<u>8,989</u>
Long term liabilities:					
Creditors falling due after more than one year	10		<u>-</u>		<u>(8,989)</u>
Net assets			<u><u>-</u></u>		<u><u>-</u></u>
Reserves					
Retained earnings			<u>-</u>		<u>-</u>
Total reserves			<u><u>-</u></u>		<u><u>-</u></u>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and signed on its behalf on 19 October 2020.


Simon Conway
 Director


Jennifer Garrigan
 Director

THERA NORTH TRADING
(A company limited by guarantee)
STATEMENT OF CASH FLOWS
for the year ended 31 March 2020

	Note	2020 Total £	2019 Total £
Cashflows from operating activities	12	<u>(5,786)</u>	<u>6,036</u>
Net (decrease)/increase in cash and cash equivalents		<u>(5,786)</u>	<u>6,036</u>
Cash and cash equivalents at the beginning of the period		<u>6,036</u>	<u>-</u>
Cash and cash equivalents at the end of the period		<u><u>250</u></u>	<u><u>6,036</u></u>

THERA NORTH TRADING
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

1 Accounting policies

a) Statutory information

Thera North Trading is a 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 company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

b) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102' March 2018), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 31 March 2020 (2019: period ended 31 March 2019).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The significant accounting policies applied in the preparation of these financial statements are set out below.

c) Going concern

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

d) Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable.

Revenue from a contract to provide support services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably
- It is probable that the company will receive the consideration due under the contract
- The stage of completion of the contract at the end of the reporting period can be measured reliably
- The costs incurred and the costs to complete the contract can be measured reliably

e) Taxation

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

THERA NORTH TRADING
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

1 Accounting policies (continued)

f) Debtors and creditors receivable/payable within one year

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

g) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

h) Cash and cash equivalents

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.

i) Financial instruments

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

j) 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 directors of the 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 directors have delegated to management the authority to make the following judgements:

THERA NORTH TRADING
(A company limited by guarantee)
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)

Group financial support

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

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 analyse 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 income and expenditure account.

3 Turnover

The whole of the turnover is attributable to income from contracts with Local Authorities to provide support to people with a learning disability.

All turnover arose within the United Kingdom.

4 Operating result

	2020 £	2019 £
The result for the year is stated after charging:		
Auditor's remuneration - audit	3,140	3,080
- other services	1,980	1,940

Auditors' remuneration for the group is disclosed in full in the parent charitable company and is recharged to the subsidiary as part of the overall recharge of the group's management and administration costs.

5 Employees

The average number of employees during the reporting period was nil (2019: nil).

THERA NORTH TRADING
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

6 Directors' remuneration

No directors received any remuneration from the company during the year (2019: nil).

7 Taxation

	2020 £	2019 £
UK corporation tax at 19% (2019: 19%)	-	-
Factors affecting the tax charge for the year		
The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:		
Result from ordinary activities before tax	-	-
Result from ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	-	-
Effects of:		
Tax relief on Gift Aid	-	-
Total tax charge for the year	-	-

8 Debtors

	2020 £	2019 £
Due after more than one year		
Amounts owed from group undertakings	6,317	-
Due within one year		
Trade debtors	12	9,253
	6,329	9,253

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Taxation and social security	6,579	6,300
	6,579	6,300

THERA NORTH TRADING
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

10 Creditors: amounts falling due after one year

	2020 £	2019 £
Amounts due to group undertakings	-	8,989
	<u>-</u>	<u>8,989</u>

The repayment period for the amounts owed to group undertakings is disclosed in the accounting policy called Parent charity and financial support.

11 Related party transactions

In line with the exemption conferred by section 33.11(b) of FRS 102, Thera North Trading has chosen not to disclose related party transactions between group companies on the grounds that 100% of the voting rights are held by Thera Trust and that Thera North Trading is included in Thera Trust's consolidated financial statements.

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

	2020 £	2019 £
Net income / (expenditure) for the reporting period (as per the income and expenditure account)	-	-
Decrease / (increase) in debtors	2,924	(9,253)
(Decrease) / increase in creditors	(8,710)	15,289
Net cash (used in) / provided by operating activities	<u>(5,786)</u>	<u>6,036</u>

13 Ultimate parent undertaking and controlling party

Thera North Trading's ultimate parent company is Thera Trust, a charitable company limited by guarantee (company number 3593418) and registered in England and Wales (charity number 1090163). Thera Trust is ultimately controlled by the members.

Copies of the consolidated Thera Trust financial statements are available from the Charity Commission or Companies House.