

**THERA (SCOTLAND)**

**Registered No: SC322014**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2019**

**SATURDAY**



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21/12/2019

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**THERA (SCOTLAND)**  
**(A company limited by guarantee)**

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**INTRODUCTION**

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

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

**You can see how the company has managed its money.**

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

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

**THERA (SCOTLAND)**  
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**COMPANY INFORMATION**

**DIRECTORS**

Suzanne Abbate

Morag Armstrong

Simon Conway

Fiona Drury

John Feehan

Anne Jackson (Chairman)

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Sarah Morris

**COMPANY SECRETARY**

Tarnya Thompson

**COMPANY NUMBER**

SC322014

**REGISTERED OFFICE**

Melrose House  
69a George Street  
Edinburgh  
EH2 2JG

**THERA (SCOTLAND)**  
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**COMPANY INFORMATION**

**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

**SOLICITORS**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

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

**THERA (SCOTLAND)**  
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**DIRECTORS' REPORT**  
**for the year ended 31 March 2019**

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

The directors present their report and financial statements for the year ended 31 March, 2019.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 period. In preparing these financial statements, the directors are required to:

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- 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.

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.

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**DIRECTORS' REPORT**  
**for the year ended 31 March 2019**

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was to support people with a learning disability in Scotland.

**DIRECTORS**

The directors who served during the year or subsequent to the year end were:

Suzanne Abbate (appointed 2 September, 2019)

Morag Armstrong (appointed 30 October, 2018)

Simon Conway

Fiona Drury

John Feehan

Anne Jackson (Chairman)

Brian Martin (resigned 18 September, 2018)

Sarah Morris (appointed 19 November, 2018)

Simon Pearce-Madge (resigned 31 March, 2019)

Brian Robertson (resigned 1 November, 2019)

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



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**DIRECTORS' REPORT**  
**for the year ended 31 March 2019**



chairman

**Another year of challenge and innovation**

The year of 2018-19 has been a year of challenge and change as we have seen some reduction in the work in Highlands and a change in leadership.

The coming year will bring a fresh approach as our new Managing Director, Suzanne Abbate, takes Thera (Scotland) forward.

It will give us a renewed opportunity and privilege of supporting people across Scotland in a way that gives them as much freedom and opportunity as possible and often more than they themselves ever realised they could have. Take time to read through the report and discover for yourself something of the journey from the people we support and their families along with the staff.

During the year of 2018-19, I have taken on the role of Chair and feel privileged to be involved in Thera (Scotland) and all it does to further the cause and opportunities of the vulnerable people involved with Thera (Scotland) who are supported by our great staff. My thanks go to Simon Conway as the interim Chairman and to all the staff who demonstrate such dedication in all that they do to bring to life all the plans and ideas for enriching the experience of those we support.

As we go into another year, we relish the challenge to develop our work and support our staff, so allowing us to reach out to more people in Scotland, enabling them to enjoy the rewards that living as full a life as possible can bring.

Anne Jackson  
Chair

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**for the year ended 31 March 2019**



support

**Thera (Scotland) Supports People with a Learning Disability**

As of 31 March, 2019, Thera (Scotland) was providing support to 147 people with a learning disability compared to 207 people in March 2018. This includes more people benefitting from Gig Buddies and Connecting Midlothian Socially projects. The company has seen some consolidation during the year, supporting people in their own home and out in the community. Most of this work is intensive 24 hour support to people with complex support needs. Thera (Scotland) also supports people in employment and accessing daytime pursuits and for short breaks.

This year, we are delighted to be supporting more people across Scotland working in Midlothian, East Lothian, Falkirk, Edinburgh, Inverness and in the Highlands. Thera (Scotland) has generated considerable interest in what we do through innovative support and attention to what people want.

In 2018, Thera (Scotland) continued to promote company membership for staff members, people we support and their families, who can now have a say in how the company is managed and led. There are now 13 Company Members. This enables people to have real control over the company that employs them or provides their support.

In December 2018, we held our Annual General Meeting at Airth Castle where people we support and staff were present as company members. Friends of Thera (Scotland) came along to join in the celebrations and a good evening was had with the Ceilidh Disco. We held a staff awards

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ceremony to recognise the hard work, dedication and commitment of our staff. These awards were put forward by the people we support, their families and staff themselves.



story

**Stories!**

*'Gilly's' Story*

"My name is 'Gilly'. I am supported by Thera (Scotland) and I get on very well with my support team. They help me get out and about and to take part in activities.

One of the activities I really enjoy is swimming and in 2018 I took part in the Special Olympics Scotland 40<sup>th</sup> Anniversary Games. I was very excited to take part, especially when I won bronze medals for my 25m freestyle and the 25m freestyle relay. I also managed 5<sup>th</sup> place for the 25m backstroke. At the end of the Anniversary Games, I was lucky enough to be one of the people receiving medals who appeared on the BBC Scotland News.

I want to continue with my swimming as I really enjoy it and would like to take part in more competitions and do well if I can - I love wearing my medals."

*'Graham's' Story*

"My name is 'Graham' and I have been supported by Thera (Scotland) for nearly two years. I share a lovely house with two friends who are also supported by Thera. We have lots of fun together. I like to play jokes on my support team.

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Before I moved in to my house I had always lived with my mum. I really enjoy trying new things now and telling mum about my adventures when she comes to visit me.

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

I am glad that my support team help me to go out and try new things - that makes me happy."

*A Support Worker's Good News Story*

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

I have particularly enjoyed intensive interaction training which I try to use a lot with one of the gentlemen I support and I have had really good responses from

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him. The ultimate goal here is to allow him to freely interact in his own way and for me to be able to understand what he's doing in order to give him better control over the choices he makes.

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

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

*Gig Buddies Good News*

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

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The project now has 30 pairs of Gig Buddies across Edinburgh, Midlothian, and West Lothian, who are getting out every month to enjoy their shared passion together. A member who has only had a buddy relationship for five months says:

*“I’ve definitely been getting out more since getting a volunteer. Having a Gig Buddy has been pretty great”.*

Other people have been with the project for much longer and it’s amazing to see how our pairings relationships develop over time. A volunteer who has been with her Gig Buddies for over two years says:

*“I’m so pleased that my Gig Buddies pairing has provided a true friendship, where both my Buddy and I have gained so much from our time together. We have been to many events, from the theatre to just meeting for coffee. I have moved away, but we have not allowed the distance to challenge us and continue to talk and see each other as regularly as before. In June 2019, we are going on holiday together to Rome, which we’re both very excited for.”*

It’s also been fantastic to speak to parents and carers about the impact that the project has had on the people they support:

*“As a carer, Gig Buddies has been great for us. We are especially pleased that it keeps our daughter in a social group which she would otherwise not have. My daughter goes to Gig Buddies’ events where she can socialise more widely, but her and her buddy also take turns to choose what they want to see*

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*together. That way they widen both their horizons and it's been working really well. My daughter has had a Gig Buddy now for almost 3 years. He has really widened her opportunities, and her growing independence from family and more formal support and social care. I consider Gig Buddies has been an important factor in her increasing maturity and ability to be firm in making her own decisions. Every young person should have a Gig Buddy; indeed a lot of older people could do with one too!"*



manage

**People with a Learning Disability Help Manage Thera (Scotland)**

People who are supported by Thera have a lot of influence on how their Thera company is directed and managed<sup>1</sup> as well as leading the design and delivery of their own support. For example, people with a learning disability are employed as directors and in a number of other posts; they can become members of Thera (Scotland) and are consulted with on a range of important issues that affect the organisation. The Managing Director works alongside the Service Quality Director, who is a person with a learning disability and who takes a lead on quality and inclusion within the Thera (Scotland) Board.

Until leaving the board recently, Brian Robertson was Thera (Scotland)'s Service Quality Director (SQD). He reported:

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<sup>1</sup> Thera Trust' is our parent company. Its charitable objects are "the relief of persons with learning disabilities, 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."

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"I have enjoyed visiting the people we support across the country during the past year – it is the best part of my role! I have spoken to support staff, carers and family members to check that Thera (Scotland) provides the best quality care and gives the people we support opportunities to live their lives in the way that they want.

I make sure I follow up on any issues raised in the Quality Reports provided by The Quality Company, and I continue to feel happy that Thera (Scotland) is doing a great job providing high quality support.

I have been able to recruit a few new Company Members during the past year. I have been working with staff to make sure everyone knows the benefits of being a Company Member and to get their voice heard in the running of Thera (Scotland)."



staff

**Thera (Scotland) Employs Good Staff**

At the end of the year, Thera (Scotland) employed over 160 people, the majority of whom are support workers. This is compared to 167 people up to March, 2018.

Our staff are our most important asset and we take considerable pride in their achievements, their dedication and the level of commitment they make every day in delivering high quality support to people. We have continued to invest in staff by offering first class support, training and development



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throughout Thera, ensuring that staff are capable and motivated to meet the needs of the people we support.

Thera (Scotland) has been able to evidence the quality of support and dedication they place into their staff by maintaining our Investors in People Gold award. We received some inspiring quotes from staff through maintaining the award that we're pleased to share:

*"I can see the choices offered to the people supported and the difference this company has made to their lives."*

*"I have worked in social care for 15 years, but this is the first company I wanted to go for promotion in because I love their values."*

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

Thera (Scotland) has a well-established Employee Consultative Council, to be chaired by a non-executive director, which considers a range of matters relating to its staff. This includes sharing important information about Thera and finding out what staff think about important decisions that may affect them.

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The Employee Consultative Councils are the formal mechanism for ensuring that Thera delivers on its philosophy of involvement in relation to its staff.



**Thera (Scotland)'s Money**

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 (Scotland)'s Articles of Association and applicable law.

Turnover in 2018-19 was £3.4m (2017-18 - £3.0m).

At 31 March, 2019, the company had total net overdrawn reserves of £765k (2017-18 - £874k). Thera (Scotland) owes £1.2m (2017-18 - £1.3m) within the Thera Group. As explained in the parent charity and financial support accounting policy note to the accounts, as part of the intra-group funding agreement, all other Thera group entities signed up to the agreement will provide support to any other entity as necessary, including not requiring the immediate repayment of intra-group debt. In addition, the directors are confident that due to growth and development within the business plan for 2019-20, this will enable Thera (Scotland) to make a surplus and to begin to pay down the intra-group debt. For this reason, the directors have prepared the accounts on the basis that the company is a going concern.

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**DIRECTORS' REPORT**  
**for the year ended 31 March 2019**



**Managing Thera (Scotland)'s Risk**

risk

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

The social care market in which Thera (Scotland) 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 (Scotland)'s activities. Thera (Scotland) supports people with a learning disability in the main who have a substantial and critical assessed need. Accordingly, these individuals are at a much lower risk of having their support reduced because of funding challenges, with local authorities and commissioners prioritising this area of spending to date.

Thera (Scotland) may also face risk from damage to key relationships with local authorities, the loss of key leadership and management or risk from litigation, financial or pension matters.

The directors have assessed and monitored the major risks to which Thera (Scotland) may be exposed through a risk management strategy. Directors are satisfied that systems are in place to minimise the incidence and impact of risks to the extent to which these are in the control of Thera (Scotland).

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In addition, Thera (Scotland)'s Health and Safety Committee provides the formal mechanism for Thera jointly with staff safety representatives to fulfil their obligations under health and safety legislation and in line with the Group's Health and Safety Policy. In particular, Thera (Scotland) sets and regularly reviews its serious incident and emergency contingency plan.

### **The Future**



future

As we enter another exciting year, we plan to continue to build strong staff teams so that Thera (Scotland) can support more people. 2019 has been a year of change. We have recruited lots of new staff across the country! The new team is getting to know each other, building positive working relationships and learning new ways of working.

For the year ahead, we have four very important targets we want to achieve.

These are:

- to provide the best quality to the people we support and their families to ensure they can lead fulfilled and meaningful lives
- to have a happy, healthy and highly skilled workforce
- to continue to work closely with our local authority colleagues to be a provider of choice
- to support more people when we can do so sustainably

In addition, we'll continue to help people with a learning disability share stories about their achievements with as many people as possible.

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We want to support even more people with a learning disability to become leaders. As well as recruiting a new Service Quality Director to continue and build upon Brian Robertson's work, we aim to invite and support more people to become company members of Thera (Scotland).

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**DIRECTORS' REPORT**  
**for the year ended 31 March 2019**

**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 AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved 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.

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**DIRECTORS' REPORT**  
**for the year ended 31 March 2019**

**This section asks the Company Members to agree that the Auditor,  
Sayer Vincent LLP, 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 directors' report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

This report was approved by the board on 9 December, 2019 and signed on its behalf.



**Tarnya Thompson**  
**Secretary**

## **THERA (SCOTLAND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

**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 (Scotland) (the 'company') for the year ended 31 March, 2019 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 2019 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 (SCOTLAND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

#### **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 period of at least twelve months from the date when the financial statements are authorised for issue.

## **THERA (SCOTLAND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

#### **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 (SCOTLAND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

**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 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:

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

- 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
- 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.

## **THERA (SCOTLAND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

**Director's responsibilities are explained on page 26.**

**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 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.

#### **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.

## **THERA (SCOTLAND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

**This page explains how the Auditor checks the accounts.**

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 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

## **THERA (SCOTLAND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

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 (SCOTLAND)**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERA (SCOTLAND)**

#### **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)**

**18 December 2019**

**for and on behalf of Sayer Vincent LLP, Statutory Auditor**

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

**You will see that this report and accounts also includes accessible information so that the directors of Thera (Scotland) 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 the 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 (SCOTLAND)**  
**(A company limited by guarantee)**

**SUMMARY OF MONEY**

**For the period ended 31 March 2019**

<b>What we have earned and what we have spent:</b>	<b>£</b>
Money we got in	3,411,916
What we spent on our staff	(2,769,383)
Other money we spent	<u>(533,834)</u>
Money we received more than money spent	<u>108,699</u>
<b>What Thera (Scotland) has at 31 March 2019:</b>	<b>£</b>
How much cash we had in the bank	3,433
What we are owed by others	564,052
What we owe to other Thera companies	(1,203,167)
What we owe to others	<u>(129,401)</u>
Final amount the company had at 31 March 2019	<u>(765,083)</u>

**THERA (SCOTLAND)**  
**(A company limited by guarantee)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 March 2019**

	Note	2019 Total £	2018 Total £
Turnover	3.	3,411,916	2,967,312
Direct costs		<b>(2,826,352)</b>	<b>(2,456,312)</b>
<b>Gross surplus</b>		<b>585,564</b>	511,000
Administrative expenses		<b>(434,389)</b>	<b>(547,174)</b>
<b>Operating result</b>	4	<b>151,175</b>	<b>(36,174)</b>
Interest payable on intra-group borrowings		<b>(42,476)</b>	<b>(29,578)</b>
<b>Result from ordinary activities before taxation</b>		<b>108,699</b>	<b>(65,752)</b>
Taxation on result on ordinary activities	7	-	-
<b>Total comprehensive income</b>		<b>108,699</b>	<b>(65,752)</b>
<b>Retained earnings</b>			
Accumulated deficit at the beginning of the year		<b>(873,782)</b>	<b>(808,030)</b>
Total comprehensive income for the financial year		<b>108,699</b>	<b>(65,752)</b>
<b>Accumulated deficit at the end of the year</b>		<b>(765,083)</b>	<b>(873,782)</b>

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

All of the above activities relate to continuing operations.

**THERA (SCOTLAND)**  
**(A company limited by guarantee)**


**BALANCE SHEET**  
**as at 31 March 2019**

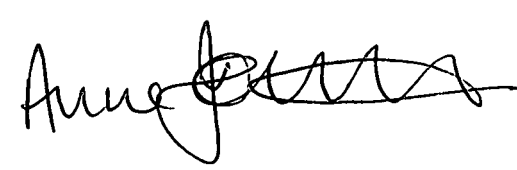
COMPANY REGISTRATION NUMBER SC322014

	Note	£	2019 £	2018 £
<b>Current assets:</b>				
Debtors	9	564,052	522,629	
Cash at bank and in hand	10	3,433	46,615	
		567,485	569,244	
<b>Current liabilities:</b>				
Creditors falling due within one year	11	(129,401)	(112,155)	
			438,084	457,089
<b>Net current assets</b>			438,084	457,089
<b>Total assets less current liabilities</b>			438,084	457,089
<b>Long term liabilities:</b>				
Creditors falling due after more than one year	12	(1,203,167)	(1,330,871)	
			(765,083)	(873,782)
<b>Net liabilities</b>			(765,083)	(873,782)
<b>Reserves</b>				
Retained earnings			(765,083)	(873,782)
<b>Total reserves</b>			(765,083)	(873,782)

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 9 December, 2019

  
**Simon Conway**  
Director

  
**Anne Jackson**  
Chair

**THERA (SCOTLAND)**  
**(A company limited by guarantee)**  
**STATEMENT OF CASH FLOWS**  
**for the year ended 31 March 2019**

	Note	2019 Total £	2018 Total £
<b>Net cash generated from / (used in) operating activities</b>	15	<b>(706)</b>	61,077
<b>Cash flows from financing activities:</b>			
Interest paid		<b>(42,476)</b>	(29,578)
<b>Net cash used in financing activities</b>		<b>(42,476)</b>	(29,578)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(43,182)</b>	31,499
Cash and cash equivalents at the beginning of year		<b>46,615</b>	15,116
<b>Cash and cash equivalents at the end of year</b>	10	<b>3,433</b>	46,615

# THERA (SCOTLAND)

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

### 1 Accounting policies

#### a) Statutory information

Thera (Scotland) is a company limited by guarantee and is incorporated in the United Kingdom (Scotland). The registered office address and operational address is Melrose House, 69a George Street, Edinburgh, EH2 2JG. 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' September 2015), 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 2019 (2018: year ended 31 March 2018).

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. These policies have been consistently applied to all years presented unless otherwise stated.

#### c) Going concern

The directors have received assurances from the trustees of Thera Trust that they continue to support Thera's work in Scotland and will continue to support the operations of the company. On this basis the directors consider that there are no material uncertainties about the company's ability to continue as a going concern. Further information is given in the directors' annual report.

#### 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 (SCOTLAND)

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

### 1 Accounting policies (continued)

#### f) Pensions

Thera (Scotland) participates in The Pensions Trust Ethical Fund which is a defined contribution scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### g) 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.

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

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

The 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 given management the authority to make the following judgements:

#### 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.

# THERA (SCOTLAND)

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

#### 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.

#### Provisions

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

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

### 3 Turnover

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

All turnover arose within the United Kingdom.

### 4 Operating result

	2019	2018
	£	£
The result for the year is stated after charging:		
Auditor's remuneration - audit	7,130	7,000
- other services	1,940	1,900

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.

**THERA (SCOTLAND)**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2019**

**5 Employees**

Staff costs (including directors' remuneration) during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,557,493	2,259,496
Social security costs	177,396	161,049
Pension costs:		
Defined contribution	34,494	18,412
	<u>2,769,383</u>	<u>2,438,957</u>

The average monthly number of employees (including directors) on a head count basis during the year was as follows:

	2019 Number	2018 Number
Direct and relief support work	156	136
Management and administration	6	6
	<u>162</u>	<u>142</u>

**6 Directors' remuneration**

	2019 £	2018 £
Directors' remuneration	84,671	80,759
Company contributions to a defined contribution pension scheme	1,257	526
	<u>85,928</u>	<u>81,285</u>

During the year retirement benefits were accruing to 2 directors (2018: 2) in respect of the pension scheme.

The total of employee benefits (including employer's pension contributions and employer's national insurance) received by key management personnel is £95,288 (2018: £90,181). The company considers its key management personnel comprises the Managing Director and the Service Quality Director.



# THERA (SCOTLAND)

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

### 7 Taxation

	2019 £	2018 £
UK corporation tax at 19% (2018: 19%)	-	-
<b>Factors affecting the tax charge for the year</b>		
The tax assessed for the year is lower than (2018- lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:		
Result from ordinary activities before tax	<b>108,699</b>	(65,752)
Result from ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>20,653</b>	-
Effects of: Tax losses utilised	<b>(20,653)</b>	-
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

### 8 Intangible fixed assets

The goodwill which was fully amortised has been disposed of during the year.

### 9 Debtors

	2019 £	2018 £
Trade debtors	<b>298,939</b>	309,811
Other debtors	<b>40,532</b>	19,736
Prepayments and accrued income	<b>224,581</b>	193,082
	<b>564,052</b>	522,629

**THERA (SCOTLAND)**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2019**

**10 Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	3,433	46,615
	3,433	46,615
	3,433	46,615

**11 Creditors falling due within one year**

	2019 £	2018 £
Trade creditors	23,599	3,490
Taxation and social security	40,488	38,686
Other creditors	19,831	18,579
Accruals and deferred income	45,483	51,400
	129,401	112,155
	129,401	112,155

**12 Creditors falling due after one year**

	2019 £	2018 £
Amounts due to group undertakings	1,203,167	1,330,871
	1,203,167	1,330,871
	1,203,167	1,330,871

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

**13 Pension commitments**

Thera (Scotland) participates in The Pensions Trust Ethical Fund which is a defined contribution scheme for the benefit of its employees. Contributions payable during the period amount to £34,494 (2018: £18,412). The amount outstanding in respect of this Scheme at the year-end was £1,241 (2018: £790).

**14 Related party transactions**

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

# THERA (SCOTLAND)

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

### 15 Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£	£
<b>Net expenditure for the reporting period (as per the income and expenditure account)</b>	<b>108,699</b>	<b>(65,752)</b>
Interest payable	42,476	29,578
(Increase) / decrease in debtors	(41,423)	8,723
Increase / (decrease) in creditors	(110,458)	88,528
<b>Net cash provided by / (used in) operating activities</b>	<b>(706)</b>	<b>61,077</b>

### 16 Contingent liability

As with many other organisations in the sector, Thera (Scotland) took part during the year in the Social Care Compliance Scheme in relation to the national minimum wage review by HMRC, from which there have been no adverse findings. Following a ruling by the Court of Appeal, Thera (Scotland) took legal advice on this matter and the directors remain satisfied that current contractual and policy arrangements continue to comply with all relevant regulations as currently interpreted. The directors do not therefore believe it appropriate to make any provision in the 2019 financial statements in relation to this matter. Similarly, whilst the matter generally may be subject to further legal or regulatory rulings in the future, in the absence of any specific adverse finding and as there are no current specific challenges to Thera (Scotland)'s past practice, it is not possible to quantify any contingent liability relating to this matter.

### 17 Ultimate parent undertaking and controlling party

Thera (Scotland)'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 board of trustees.

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