

Vranch House Limited

England & Wales · Charity number 1002700

Details

Other names	DEVON AND EXETER SPASTICS SOCIETY, VRANCH HOUSE SCHOOL, VRANCH HOUSE SCHOOL & CENTRE
Status	Registered
Legal form	Charitable company
Company number	02599511
Registered	1991-05-15
Register	View on the Charity Commission register

Contact

Address	Vranch House Pinhoe Road Exeter EX4 8AD
Phone	01392468333
Email	mail@vranchhouse.org
Website	www.vranchhouse.org

Activities

Objects: (I)TO PROMOTE AND TO PROVIDE FACILITIES FOR THE CARE,EDUCATION,TRAINING,TREATMENT AND WELFARE IN THEIR RESPECTIVE ASPECTS OF HANDICAPPED PEOPLE.(II)TO ADVISE,TO HELP AND TO CATER FOR THE NEEDS OF THE PARENTS OR OTHERS HAVING CARE OF HANDICAPPED PEOPLE.

Activities: Providing education at Vranch House School in Exeter for children aged from 2 to 19 who have physical disabilities. Providing children with physical difficulties, including profound disability, with clinical services throughout Devon. The range is from 2 to 19 years.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, People With Disabilities

Geography

- **Area of benefit:** IN PRACTICE DEVON,PLYMOUTH,SOUTH HAMS,WEST DORSET
- Devon

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,769,194	£3,341,260	£9,870,862	106
2024-03-31	£3,638,755	£2,900,324	£9,442,928	105
2023-03-31	£3,296,298	£2,575,818	£8,704,497	99
2022-03-31	£2,987,175	£2,289,205	£7,984,017	97
2021-03-31	£2,542,482	£2,208,843	£7,286,047	86

Trustees

Name	Role	Appointed
Dr Richard Tomlinson		2015-11-25
JULIA CHANTAL TOLMAN-MAY		
Joseph Knowles		2025-10-09
PENELOPE ANNE HALE		
Rebecca Neary		2018-11-27
Sandra Tutinas		2020-11-24
Sarah Lewis		2023-12-02
douglas barnes		2025-10-09

Vbranch House Limited

England & Wales - Charity number 1002700

Accounts

Charity registration number 1002700 (England and Wales)

Company registration number 02599511

VRANCH HOUSE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

VRANCH HOUSE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J Tolman-May Mr A J Griffin Mrs R Neary Miss P Hale Dr R Tomlinson Mrs S Tutinas Ms S J Lewis
Secretary	Mrs K Moss
Charity number (England and Wales)	1002700
Company number	02599511
Registered office	Vranch House Pinhoe Road Exeter Devon EX4 8AD
Auditor	Simpkins Edwards Audit LLP The Summit Woodwater Park Pynes Hill Exeter EX2 5WS
Bankers	Natwest Exeter Branch 59 High Street Exeter Devon EX4 3DL
Solicitors	Foot Anstey Solicitors Senate Court Southernhay Gardens Exeter EX1 1NT

VRANCH HOUSE LIMITED

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VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the society's governing document, the Companies Act 2006 and "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).

Objectives and activities

Objectives and Aims

The charity's objects and principal activities continue to be those of:

1. Promoting and providing facilities for the care, education, training, treatment and welfare, in their respective aspects, of children and young people with physical difficulties.
2. Advising, helping or catering for the needs of the parents or others having the care of children and people with physical difficulties.

The core activities arising from these aims are the education of children with physical difficulties from the age of 2 to 19 at Vbranch House School and the provision of paediatric therapies and clinical treatment to children as outpatients at locations throughout Devon. The charity has also developed Opportunity Technology, a not-for-profit service which designs, installs and maintains assisted mobility tracks and robotic vehicles throughout England and Wales and also runs Funfit and High training programmes for schools in Devon.

Achievement and performance

In order to direct the activities of the charity in such a way that Public Benefit can be identified clearly, the Trustees have set out the following Aims and Strategies:

School Aim: The school is to be organised, equipped, staffed, managed and operated to the highest national standards.

- Strategy to Achieve Aim: The Governors will monitor the established Continuous Improvement Programme and the School Audit Cycle with the intention of maintaining the high OFSTED gradings of "outstanding" as achieved in 2018 and 2022. We have also had additional inspections due to inclusion in a EIF Pilot and a material change inspection with excellent results.

Clinic Aim: The charity's clinical activities are to be organised, equipped, staffed, managed and operated to the highest national standards.

- Strategy to Achieve Aim: The Trustees will monitor clinical operations with the intention of maintaining a prompt and efficient service with excellent standards of care. To do this, the Trustees will use tools such as reports and standards set by the National Service Framework, NICE guidance and quality audits conducted in alliance with our statutory partners.

Financial Performance Aim: The charity's financial affairs are to be conducted to the highest levels of public probity and according to the policies and procedures established for service and capital development consistent with the need to demonstrate Public Benefit.

- Strategy to Achieve Aim: The Trustees will consider financial performance indicators, other financial records and risk assessments at all their meetings, to ensure that all our financial processes meet the requirements of both the Charity Commission and Companies House. The Trustees will look at the record of expenditure to ensure that public monies are used exclusively for the Public Benefit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the society should undertake.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Public Benefit

The Trustees are pleased to note that the record of operations for the year under review complied with the aims and strategies set out by the Board and have met expectations. The school has been consistently full over the year. The school staffing team has been maintained ensuring a high standard of care for all pupils. We also increased the equipment available to ensure all children's therapeutic and health needs are being met.

The complexity of health needs means that we must continually appraise the level of staffing across all disciplines, and we have been able to enhance the experience of staff with continuous professional development without diluting our high standard of care in the delivery of healthcare and education. We have continued to meet pupils' Education and Health Care Plan requirements.

We continued to upgrade therapeutic equipment, and we have further invested in the professional development of our staffing body, with staff accessing courses such as the Bobath 2 day workshops for all therapy staff and neonatal therapy courses.

Engagement with the range of outpatient services across the whole of the service area continued to be positive. Hippotherapy remains established as a treatment technique alongside hydrotherapy and individualised exercise programmes. We maintained a high level of support to main-stream schools through direct clinical interventions and training programmes such as the Fun Fit and High Five training programmes, which train school staff to recognise and use intervention techniques for gross and fine motor developmental coordination disorder. Whilst keeping the price as low as possible the Fun Fit and High Five programmes also contribute to the charity's income.

Mean waiting times for the year across all our therapy services were 19.5 weeks against a national target of 18 weeks. This is again an increase on our historically low waiting times but is starting to move gradually down. The longer mean waiting time sadly is due to the increase in families missing their appointments; we saw an increase in the number of children not brought to an appointment from 450 in 2023/24 to 745 in 2024/25.

The therapy service has maintained its high quality. We have an excellent record of high satisfaction of patients accessing our services and this is supported by the policy to encourage families to speak directly to the Chief Executive, Head of Therapies and Head of Education, if they wish. The thorough training of staff in how to interact with and support patients and their families also aids patient satisfaction and engagement with the service. During this year we have had no formal complaints, and we are reporting to the NHS commissioners the number of compliments we receive.

The Charity has continued to work hard to strengthen links with the local community, and to use social media and community events such as fêtes and car boots to further promote the good work of the Charity within the community. A wide staff team all support fundraising, promoting events, attending fundraising events such as quiz nights and fêtes and in March of this year we hosted our first Black Tie ball as a major fundraising event.

The staff experience has been improved by increasing mental wellbeing training and monthly events for staff.

Good long term financial planning has meant we have been able to absorb the significant rise in running costs for the charity this year, such as for heating and other running costs.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

Financial position

The statement of Financial Activities shows total income for the year ending 31 March 2025 of £3,769,194 (2024: £3,638,755), an increase of £130,439 (2024: £342,457) partially due to increased fundraising and securing an increase in NHS contract inflation for the cost of clinical services and DCC for education placements. The increase is not as much as the increase in 2024 but in the current financial climate this is still a significant increase. The Society's net current assets stand at £4,823,768 (2024: £4,470,231); this increase of £353,537 (2024: £777,639) is the result of the surplus for the year less an increase in tangible assets, with higher capital spend than in 2024. The Society has net assets amounting to £9,870,862 (2024: £9,442,928).

The net income and net movement in funds for the year is £427,934 (2024: £738,431). Adding back depreciation of £219,355 (2024: £200,208) (a non-momentary expense) and the movement in working capital to this net income, the Society made a cash deficit from operations in the year of £153,781 (2024: £815,759 surplus). The change from 2024 mainly relates to DCC funding being received in arrears this year, hence the increase in accrued income.

The total income from charitable activities of £3,515,053 (2024: £3,429,374) includes the contract income from the contracts for clinical and educational services. The total income from donations, grants and legacies is £92,721 (2024: £105,051), this is a lower figure as we had no legacies in this financial year, but fundraising was improved.

Reserves & Going Concern

The Trustees have established a liquid reserves practice so that it is consonant with the revenue interests of a service charity. The forecast level of funding is such that an operating surplus is expected for the current year and the maintained reserve is such to provide a cushion in the event that either of the largest sources of income is threatened or development of services is required in a changing market

The Trustees are unanimous in the opinion that the Charity remains a going concern.

Investment policy

The Memorandum and Articles provide the Trustees with the power to make investments as they choose but consonant with current Charity Commission advice. The charity's cash assets are invested in a Business Reserve account, but we will consider utilising opportunities for low-risk investment when interest rates allow. This year, we have moved reserves into different bank accounts, allowing low risk investment. This year, we received income from bank interest of £114,715 (2024: £76,882).

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Income & Service Risks

Notwithstanding the strategies for maintaining Public Benefit (q.v. Public Benefit Aims & Strategies above) the Trustees, having reviewed the strategic objectives of the charity in the light of possible obstructions to achieving them, have determined that;

1. Income Growth: We have defined a Core Offer for the school which reflects the Special Education Needs and Disabilities (SEND) process, allows for use of the Devon Framework and enables Educational, Health and Care Plans (EHCPs). Both income from the health contract and the education contract have had an increase but our expenses have also increased.
2. Income Security: The separate contracts are non-competitive because of the high amount of public benefit developed by it. The contract has a 25-year life (until 2036). The charity contribution includes the capital charges and revenue it waives, principally for the use of capital facilities which the charity owns, and the running costs of these facilities. Strong negotiations with the NHS and DCC will need to continue as significant running costs are being incurred by the charity.
3. Quality Standards: The Chief Executive is tasked with maintaining a continuous cycle of Risk Assessment reviews, assisted and advised by the Heads of Department (the Head of Therapies and the Head of Education). Principal amongst these are those relating to Safeguarding, Health & Safety and Financial Probity. The on-going review and development of these risk assessments and the policies and procedures that flow from them is of the highest priority as essential elements of the charity's strategic interest.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Plans for future periods

The Service Led Agreement with Devon County Council (DCC) and the one Devon NHS Health Board (formally known as the CCG) has operated since the 1st of April 2011. The Agreement set a target for charitable investments in these statutory services to be 30% of the total cost. Our core education offer provides significant value for money for the local authority. The core offer is in line with the Charity's aim and ensuring that the local authority continue to commission the service and strengthening the Charity's position as a provider for SEN education in Devon.

The capacity for school pupil numbers is set at 55, which is the maximum number that we currently have DCC/DFE/Ofsted approval for. We are able, with agreement from DCC, to go over this number by 10% if DCC have need for the places. We currently have 58 pupils on roll.

The charity continues to establish benchmarks in clinical and educational practice to accomplish its goal of not just meeting but exceeding service delivery standards. Workforce development underpins the ethos at Vbranch House driving excellent provision and improving retention of staff. The continuous professional development of our clinical services and education provision is ongoing. With continued online training courses being available (started during the Covid-19 restrictions), Vbranch House has been able to provide more professional development for staff which may not have previously been available to them, including specialist training courses for clinical staff that have taken place abroad.

Face to face training is now back to pre-Covid levels and we have been able to support staff with courses, mileage and accommodation, when required.

The Trustees have established a conservative policy for future capital spend, and for the development of all the charity services to allow us to discuss future larger projects they may require significant investment.. Whilst our statutory partners are actively engaged in establishing new ways of delivering services, in which this charity will play a significant part, there will be a continuation of the need to adopt new methods of working to sustain current activity levels, at similar cost. Our community presence is building. We have had a significant increase in social media activity, increasing fundraising to allow us to take on projects such as improvements to the sensory garden and purchasing equipment for the children.

Whilst the Charity aims to keep a reserve in place to maintain a full year's running costs (an amount that increases each year, and includes all staff and facilities costs). We review our financial policies and business planning regularly.

The Charity has a strong business plan, looking forwards at possible ways to develop the Charity. All possible developments are scrutinised and analysed at Trustee level before any commitment is made.

Structure, governance and management

Governing document

The organisation is a company limited by guarantee (registered number 02599511), incorporated on 9 April 1991, and an independent charity registered with the Charity Commission on 15 May 1991 (registered number 1002700). It is governed by its Memorandum and Articles of Association and the Instrument of Management. Any person over the age of 18 can become a member of the charity on payment of an annual fee of £2 (for those not in work) or £5 (for those in employment). There are currently 64 (2024: 50) members, each of whom are liable to the extent of their membership fee in the event of the company being wound up. All the members have the right to vote at General Meetings.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs J Tolman-May

Mr A J Griffin

Mrs R Neary

Miss P Hale

Mrs R Pavitt

(Resigned 3 April 2025)

Dr R Tomlinson

Mrs S Tutinas

Ms S J Lewis

Appointment of trustees

The number of trustees can be set at any General Meeting but has rarely varied from a mean of 12 between the minimum of 8 and maximum of 16 stated in the Governing Document. The membership are free to nominate trustees and these nominations are ratified at the Annual General Meeting. The senior officers (Chairman and Vice Chairman) are elected every year and the Chief Executive acts as Company Secretary. Employees of the charity may be members of the charity and three senior employees are ex officio members of the Board of Trustees but no employee is entitled to vote at any meeting of the Trustees. The Executive Committee of the charity is known as the Board of the Society and the Board may co-opt any member of the charity to fill a specialist role.

Induction and training of new trustees

New Trustees follow an induction process involving a full briefing on their obligations under charity and company law, the structure of the charity and its operational procedures as set out in the Memorandum and Articles of Association and of those changes in statute which bear directly on the work of the charity (principally legislation in the areas of Education and Health). A briefing document has been prepared ready to work alongside a more formal induction and training process. Trustees are usually appointed because of specialist skills but the charity will meet any identified need for specialist training. Recruitment for new trustees has been agreed by the current board and skill set gaps have been identified and are being specifically recruited for. 2 New Trustees have been successfully recruited and await confirmation of position at the members AGM.

Remuneration policy

The Trustees serve as volunteers and eschew reward and expenses.

The practice established by the Trustees for setting and reviewing the pay for all employed staff is:

1. As the charity exists to provide services and these services are delivered by trained personnel, expenditure on pay is the largest part of all revenue spending. The rates and costs of staff expenditure are thus reviewed and approved by the Trustees at all their meetings.
2. Pay rates for all staff are set on the principal that the rates must be competitive within the local charitable and statutory sectors so that the charity can continue to recruit high quality staff.
3. As the charity employs and relies on the services provided by a number of personnel without professional qualifications, pay at a lower level must exceed nation benchmarks. The charity pays in excess of the national living wage to all staff.
4. The multiple between the lowest and the highest paid should not exceed a factor of five.
5. All staff must have access to appropriate pension schemes.
6. The Chief Executive is responsible for providing the Management Committee and the Board of Trustees with information on the annual pay and emoluments budget.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Board of the Society

Mrs J Tolman-May - Chairman
Mrs R Neary - Vice Chairman
Mr A J Griffin
Miss P Hale
Mrs R Pavitt (Resigned 3 April 2025)
Dr R Tomlinson
Ms S J Lewis
Mrs S Tutinas
Mrs K Moss (ex-officio as Chief Executive with no vote)
Mrs Kayleigh Price (ex-officio as Head of Education)
Ms R Wheeler (ex officio as Business Manager)
Mrs S Mitchell (ex officio as Head of Therapies)

Company Secretary & Chief Executive

Mrs K Moss

Board of Governors

Mrs J Tolman-May - Chairman
Mrs R Neary - Vice Chairman
Mrs K Moss - Secretary
Mrs K Price - Head of Education
Mrs V Lye - Staff Member
Mrs S Tutinas - Parent Governor
Mr A J Griffin - Parent Governor
Mrs N Kelly - Parent Governor
Mr H Gray - Parent Governor

Management Committee

Mrs J Tolman-May - Chairman
Mrs K Moss
Ms R S Wheeler

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Organisation

The Board of the Society has a strategic oversight of the charity and meets at least four times a year. The Board employs a Chief Executive to work with a Head of Therapies and a Head of Education to oversee, direct and drive forward the Board's policies for the Clinic and the School (the principal operations of the charity).

The Chief Executive has delegated powers for the day-to-day operation of the Board's policies for employment, finance, contracts, legal compliance (including Equal Opportunities), buildings and acquisitions, risk assessment and mitigation, Health and Safety and business development.

To assist the Head of Education and meet statutory obligations for maintained schools, the Board has established a Board of Governors for the school. The Board of Governors has direct control of those matters bearing on the delivery of the educational service. Educational issues that are not within the scope of the Governors, are referred to the Board of Trustees.

The Head of Therapies is responsible to the Trustees for the full delivery of the clinical contract which includes professional and service delivery standards.

We also have a Business Manager in post to strengthen the Charity's management team. The finance team has been increased to 2 people to ensure if staff sickness occurs the Charity is able to fulfil the day-to-day financial activities that occur such as ordering, paying bills and staff. The Business Manager and Chief Executive also oversee some of the financial procedures too, as per the charity's policies, to ensure good practice and to safeguard the finance team and Charity from financial fraud.

Risk management

As a normal part of the annual business cycle the Society reviews its Risk Assessments. These include financial management, accounting, security of cash and removable assets, insurances, fire and Health & Safety. The outcome of these assessments is reported to the Trustees by the Chief Executive. The safeguarding, Health and Safety, Legionella and Fire Risk Assessments are translated into operating policies which are available to all employees. Employees at every level are encouraged to contribute to the continuous business of risk assessment through the Staff Meetings held every month.

Public Benefit - General Statement

The Trustees have established a practice of continuously reviewing all of the charity's activities and the development of services to ensure that they remain consonant with the requirements of the 2011 Charities Act, and particularly with Section 4 of the Act; the need to demonstrate Public Benefit. The charity operates in partnership with statutory bodies to provide expertise, treatment and enhanced services to children with physical disabilities. Referrals to the service are made by Local Authorities, medical professionals and parents. All service-appropriate referrals are seen for assessment and many children then access therapeutic interventions. The Local Authority can consult with the school for a place at the school for children with additional needs and a relevant EHCP.

The referral process, whether as a therapy outpatient or potential school pupil, is controlled by the charity. A school placement or therapy intervention might be deemed inappropriate at the assessment stage but only for reasons that are cogent, demonstrable and compliant with benchmarked national practice. The charity is as public a body as its statutory partners, and enters into no private arrangements for individual treatment. No member of the public is denied the services provided by the charity provided those services are assessed to be suitable and appropriate for the individual concerned, and the parents or guardians interact with the Charity appropriately.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Related parties

The Society has formal and informal relationships with many other statutory and voluntary bodies. Principal amongst these is the 25-year Strategic Partnership Agreement with NHS Devon and Devon County Council under which the charity is funded for a proportion of the costs of the statutory educational and clinical services it provides. Services provided by the NHS ICB / CCG include the delivery of clinical therapies at the Vbranch House site.

The network of national and local charities and voluntary bodies is too complex and numerous to describe fully but the Society retains active links with The Exeter Chiefs Foundation, Dream-Away, Stanley Beau Foundation, CEDA and several County and national grant-making trusts. A similar network of local groups and individuals continue to assist the Society in raising funds for children at Vbranch House, and this incredibly generous and loyal support provides a much-needed and indispensable resource. The charity has also forged close links with the NHS funded Specialist Children's Assessment Centre, part of Children and Family Health Devon, which it hosts in a purpose-built facility on the Vbranch House site.

Auditor

In accordance with the company's articles, a resolution proposing that Simpkins Edwards Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Mrs J Tolman-May

Trustee

20 October 2025

VRANCH HOUSE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

The trustees, who are also the directors of Vbranch House Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 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 society will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the society 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 society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VRANCH HOUSE LIMITED

Opinion

We have audited the financial statements of Vbranch House Limited (the 'society') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2025 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 society 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VRANCH HOUSE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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
- 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 trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the society for the purpose 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. In preparing the financial statements, the trustees are responsible for assessing the society'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charitable company through discussions with the Chief Executive and other management, and from our knowledge and experience of the charity, education and health sectors;
- We focused on specific laws and regulations which we considered may have a direct, material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, data protection, anti-bribery, employment, child protection, safety and health guidance and regulatory rules surrounding supporting, caring for and educating children and the safe operation of the centre, the pool and the site grounds and buildings;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management, reviewing correspondence with industry regulators, and inspecting legal correspondence; and
- Documented our findings on our audit file and considered the implications for our audit report.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VRANCH HOUSE LIMITED

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud or error might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud, or error or mistake, and
- considering the internal controls in place to mitigate risks of fraud, error or mistake.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiry of management as to actual and potential litigation and claims and related notifications; and
- reviewing correspondence with HMRC, relevant regulators and legal advisors.

There are inherent limitations in our audit procedures described above. For example, non-compliance with non-financial laws and regulations are likely to be harder for us to identify or to quantify.

Material misstatements that arise due to fraud are often harder to detect than those that arise from error or mistake, as the transactions carried out to commit such offences often involve the deliberate concealment or removal of charity assets or collusion from those charged with governance and/or employees in such acts.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Williams BSc FCA CTA (Senior Statutory Auditor)

For and on behalf of Simpkins Edwards Audit LLP, Statutory Auditor
Chartered Accountants

The Summit
Woodwater Park
Pynes Hill
Exeter
EX2 5WS
17 December 2025

VRANCH HOUSE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Notes							
Income and endowments from:							
Donations and legacies	3	44,201	48,520	92,721	46,435	58,616	105,051
Charitable activities	4	3,515,053	-	3,515,053	3,429,374	-	3,429,374
Other trading activities	5	44,830	-	44,830	26,870	-	26,870
Investments	6	114,715	-	114,715	76,882	-	76,882
Other income	7	1,875	-	1,875	578	-	578
Total income		3,720,674	48,520	3,769,194	3,580,139	58,616	3,638,755
Expenditure on:							
Raising funds	8	19,657	-	19,657	3,524	-	3,524
Charitable activities	9	3,161,566	59,847	3,221,413	2,753,941	51,211	2,805,152
Other expenditure incurred		96,857	-	96,857	88,384	-	88,384
Bank charges and society expenses	13	3,333	-	3,333	3,264	-	3,264
Total expenditure		3,281,413	59,847	3,341,260	2,849,113	51,211	2,900,324
Net income/(expenditure)		439,261	(11,327)	427,934	731,026	7,405	738,431
Transfers between funds		3,567	(3,567)	-	(3,515)	3,515	-
Net movement in funds		442,828	(14,894)	427,934	727,511	10,920	738,431
Reconciliation of funds:							
Fund balances at 1 April 2024		8,398,821	1,044,107	9,442,928	7,671,310	1,033,187	8,704,497
Fund balances at 31 March 2025		8,841,649	1,029,213	9,870,862	8,398,821	1,044,107	9,442,928

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 17 to 30 form part of these financial statements.

VRANCH HOUSE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2025

		2025	2024
	Notes	£	£
Fixed assets			
Tangible assets	15	5,047,094	4,972,697
Current assets			
Stocks	16	5,586	2,089
Debtors	17	825,494	98,080
Cash at bank and in hand		4,125,173	4,457,528
		4,956,253	4,557,697
Creditors: amounts falling due within one year	18	(132,485)	(87,466)
Net current assets		4,823,768	4,470,231
Total assets less current liabilities		9,870,862	9,442,928
The funds of the society			
Restricted income funds	20	1,029,213	1,044,107
Unrestricted funds	21	8,841,649	8,398,821
		9,870,862	9,442,928

The notes on pages 17 to 30 form part of these financial statements.

The financial statements were approved by the trustees on 9 October 2025

Mrs J Tolman-May
Trustee

Company registration number 02599511 (England and Wales)

VRANCH HOUSE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(153,781)		815,759
Investing activities					
Purchase of tangible fixed assets		(293,889)		(161,000)	
Proceeds from disposal of tangible fixed assets		600		-	
Investment income received		114,715		76,882	
Net cash used in investing activities			(178,574)		(84,118)
Net cash generated from financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(332,355)		731,641
Cash and cash equivalents at beginning of year			4,457,528		3,725,887
Cash and cash equivalents at end of year			4,125,173		4,457,528

The notes on pages 17 to 30 form part of these financial statements.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Vranch House Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Vranch House, Pinhoe Road, Exeter, Devon, EX4 8AD. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the society's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The society is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the society. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity continues to rely on the Service Led Agreement with Devon County Council (DCC) and the ICB Health Board (formerly known as the new CCG), as set out in the Trustees' Report. Based on information received to date, the Trustees have no reason to believe this support will not continue. These accounts have therefore been prepared on a going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives. Unrestricted funds include a revaluation reserve representing the re-statement of the property at market value.

Restricted funds are subject to specific conditions and can only be used for particular restricted purposes. Restrictions arise when specified by donors or when funds are raised for a specific purpose or project. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the society is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. All income is then included in the Statement of Financial Activities.

Cash donations are recognised on receipt. Other donations are recognised once the society has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the society has been notified of an impending distribution, for example by grant of probate, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants receivable, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds. This means; any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Membership subscriptions of £2 or £5 per annum are receivable from members. Should a member not pay their subscriptions, when due, they will be removed from the society.

Investment income is included when receivable.

The value of services provided by volunteers has not been included in these accounts. Further details of the contribution made by volunteers can be found in the Trustees Report.

Donated services and goods

Donated professional services and goods are recognised as income when the charity has control over the item, any conditions associated with the donated items have been met, the receipt of economic value can be measured reliably. On receipt, donated professional services and donated goods are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or goods of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent on charitable or other activities, depreciation charges are allocated on the portion of the asset's use. Establishment and motor costs are allocated based on usage of buildings / floor space and vehicles utilised.

All expenditure is accounted for on an accruals basis, inclusive of Value Added Tax, which cannot be recovered.

Costs of raising funds are primarily incurred in attracting donations, gifts and grants and also the costs associated with other trading activities such as the annual summer fair.

The charity does not make any charge for capital costs to any of its principal customers.

Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity. They include the audit, accounts and legal fees of the society together with staff training and recruitment charges linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% per annum on cost
Property improvements	5% per annum on cost
Plant and equipment	20% per annum on book value
Motor vehicles	25% per annum on book value

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The costs of minor additions or items costing less than £500 are not capitalised.

1.7 Impairment of fixed assets

At each reporting end date, the society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the society's balance sheet when the society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the society's contractual obligations expire or are discharged or cancelled.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.11 Taxation

The company is a registered charity and is exempt from taxation as long as it remains within the terms laid down by the Charity Commission.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the society is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The Charity has arranged two defined contribution pension schemes for those members who are not eligible to join the Teachers' Pension Scheme. The assets of these schemes are held separately from those of the Charity.

The Charity has another defined contribution pension scheme, which was set up to comply with the government legislation for compulsory pensions in the work place.

All three of these defined pension schemes are operated by insurance companies, the employees contract directly with the insurance company. The Charity acts as agent in collecting and paying over pension contributions. There will be no liability to the Charity.

Teaching staff employed by the charity are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory contributory, unfunded defined benefit scheme administered by the Teachers' Pension Agency, and executive agency of the Department for Education and Employment. Pension costs are accessed in accordance with the advice of the Government Actuary. The scheme is guaranteed by the government and therefore there will be no liability to the Charity. However, it should be noted that employer contributions have increased in recent years in response to actuarial valuations. The current rate of employer contributions is 28.68%.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Charity in the year for the defined benefit scheme and the three defined contribution pension schemes. All four schemes are funded by contributions from employee and employer.

2 Critical accounting estimates and judgements

In the application of the society's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The main area involving judgements and estimates in these financial statements relates to the useful economic life of tangible fixed assets. The depreciation policies applied are set out above.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	43,126	48,520	91,646	15,232	58,616	73,848
Legacies	1,000	-	1,000	31,138	-	31,138
Membership fees	75	-	75	65	-	65
	<u>44,201</u>	<u>48,520</u>	<u>92,721</u>	<u>46,435</u>	<u>58,616</u>	<u>105,051</u>

4 Income from charitable activities

	School contracts 2025 £	Health Assessment contract 2025 £	Other charitable acts 2025 £	Total 2025 £	Total 2024 £
Services provided under contract	2,107,982	1,222,756	167,890	3,498,628	3,414,620
Other income	-	-	-	16,425	14,754
	<u>2,107,982</u>	<u>1,222,756</u>	<u>167,890</u>	<u>3,515,053</u>	<u>3,429,374</u>

Analysis by fund

Unrestricted funds	<u>2,107,982</u>	<u>1,222,756</u>	<u>167,890</u>	<u>16,425</u>	<u>3,515,053</u>	<u>3,429,374</u>
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Previous year:

	School contracts 2024 £	Health Assessment contract 2024 £	Other charitable acts 2024 £	Total 2024 £
Services provided under contract	2,054,345	1,195,191	165,084	3,414,620
Other income	-	-	-	14,754
	<u>2,054,345</u>	<u>1,195,191</u>	<u>165,084</u>	<u>3,429,374</u>

Analysis by fund

Unrestricted funds	<u>2,054,345</u>	<u>1,195,191</u>	<u>165,084</u>	<u>14,754</u>	<u>3,429,374</u>
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VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising events	25,550	5,977
Letting and licensing arrangements	19,280	20,893
Other trading activities	44,830	26,870

6 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	114,715	76,882

7 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Courses	1,875	578

8 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Other fundraising costs	19,657	3,524

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9 Expenditure on charitable activities

	School contracts	Health Assessment contract	centre	Optech	Other charitable acts	Total
	2025 £	2025 £	2025 £	2025 £	2025 £	2025 £
Direct costs						
Staff costs	1,530,231	1,121,691	53,423	26,710	-	2,732,055
Other direct costs	295,716	147,466	25,954	2,037	18,185	489,358
	<u>1,825,947</u>	<u>1,269,157</u>	<u>79,377</u>	<u>28,747</u>	<u>18,185</u>	<u>3,221,413</u>
Analysis by fund						
Unrestricted funds	1,789,361	1,245,896	79,377	28,747	18,185	3,161,566
Restricted funds	36,586	23,261	-	-	-	59,847
	<u>1,825,947</u>	<u>1,269,157</u>	<u>79,377</u>	<u>28,747</u>	<u>18,185</u>	<u>3,221,413</u>
Previous year:						
	School contracts	Health Assessment contract	centre	Optech	Other charitable acts	Total
	2024 £	2024 £	2024 £	2024 £	2024 £	2024 £
Direct costs						
Staff costs	1,377,819	934,818	13,477	2,665	2,032	2,330,811
Other direct costs	244,834	167,926	33,620	9,926	18,035	474,341
	<u>1,622,653</u>	<u>1,102,744</u>	<u>47,097</u>	<u>12,591</u>	<u>20,067</u>	<u>2,805,152</u>
Analysis by fund						
Unrestricted funds	1,591,926	1,082,260	47,097	12,591	20,067	2,753,941
Restricted funds	30,727	20,484	-	-	-	51,211
	<u>1,622,653</u>	<u>1,102,744</u>	<u>47,097</u>	<u>12,591</u>	<u>20,067</u>	<u>2,805,152</u>

10 Support costs allocated to activities

	2025 £	2024 £
Staff costs	26,712	32,218
Staff recruitment and other employee costs	3,515	11,031
Staff training and courses	18,451	20,917
Governance costs	48,179	24,218
	<u>96,857</u>	<u>88,384</u>
Analysed between:		
Other expenditure incurred	<u>96,857</u>	<u>88,384</u>

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

10 Support costs allocated to activities

(Continued)

	2025 £	2024 £
Governance costs comprise:		
Audit fees	10,720	10,740
Accountancy	10,040	6,420
Legal and professional	27,419	7,058
	<u>48,179</u>	<u>24,218</u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or other benefits during the year nor for the year ended 31 March 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2025 nor for the year ended 31 March 2024.

12 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Chief Executive	1	1
Vranch House school	64	67
Health contract	32	27
Administration and support	9	10
Total	<u>106</u>	<u>105</u>

Employment costs

	2025 £	2024 £
Wages and salaries	2,376,876	2,049,782
Social security costs	199,609	163,769
Other pension costs	182,282	149,478
	<u>2,758,767</u>	<u>2,363,029</u>

The charity considers its key management personnel comprise the Chief Executive, Head of Education, Head of Therapies, the Business Support Manager and the Finance Administrators.

The total employment costs (salary, employer's NIC and pension) for the key management personnel was £506,479 (2024: £431,346).

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
Band between £60,000 and £70,000	2	-
Band between £70,001 and £80,000	-	1
Band between £90,001 and £100,000	1	-
Band between £110,001 and £120,000	-	1
Band between £120,001 and £130,000	1	-
	<u> </u>	<u> </u>

13 Bank charges and society expenses

	Unrestricted funds	Unrestricted funds
	2025 £	2024 £
Financing costs	654	706
Other expenditure	2,679	2,558
	<u> </u>	<u> </u>
	3,333	3,264
	<u> </u>	<u> </u>

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

15 Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2024	5,426,183	767,986	939,126	123,524	7,256,819
Additions	-	92,992	200,897	-	293,889
Disposals	-	-	(2,750)	(43,000)	(45,750)
At 31 March 2025	5,426,183	860,978	1,137,273	80,524	7,504,958
Depreciation and impairment					
At 1 April 2024	1,264,467	156,416	777,238	86,001	2,284,122
Depreciation charged in the year	111,643	50,676	47,689	9,347	219,355
Eliminated in respect of disposals	-	-	(2,749)	(42,864)	(45,613)
At 31 March 2025	1,376,110	207,092	822,178	52,484	2,457,864
Carrying amount					
At 31 March 2025	4,050,073	653,886	315,095	28,040	5,047,094
At 31 March 2024	4,161,716	611,570	161,888	37,523	4,972,697

The cost of freehold property is £3,306,988 (2024: £3,306,988). The property was revalued in March 2012, when the revaluation uplift was £2,119,195. The revaluation surplus is reflected in the unrestricted funds balance.

The trustees had the land and buildings valued by John Daborn FRICS, Drew Pearce, Exeter in March 2016. A valuation of £5,490,000 was made on a depreciated replacement cost basis assuming that all ongoing works had been completed. The valuation has not been reflected in the financial statements.

16 Stocks

	2025 £	2024 £
Finished goods and goods for resale	5,586	2,089

17 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	27,083	13,610
Other debtors	1,330	-
Prepayments and accrued income	797,081	84,470
	825,494	98,080

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

18 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		47,006	32,088
Deferred income		-	5,695
Trade creditors		40,691	11,549
Other creditors		25,873	16,902
Accruals		18,915	21,232
		<u>132,485</u>	<u>87,466</u>

19 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	95,833	92,218
	<u>95,833</u>	<u>92,218</u>

The society operates a defined contribution pension scheme for qualifying employees. The assets of the scheme are held separately from those of the society in an independently administered fund.

Defined benefit scheme

The employer's contributions made to the Teachers' Pension Scheme - which is a defined benefit scheme - in the year amounted to £86,449 (2024: £57,260).

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of reserves and monies held on trust for specific purposes:

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Fixed Asset Fund	1,040,702	-	(58,153)	46,664	1,029,213
Accessible Living Suite Fund	1,039	-	-	(1,039)	-
Outdoor Area Fund / Sensory Garden	267	44,909	-	(45,176)	-
Other restricted donations or grants	-	3,611	(1,694)	(1,917)	-
Maytree Preschool	2,099	-	-	(2,099)	-
	<u>1,044,107</u>	<u>48,520</u>	<u>(59,847)</u>	<u>(3,567)</u>	<u>1,029,213</u>

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Restricted funds

(Continued)

Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Fixed Asset Fund	983,993	-	(51,211)	107,920	1,040,702
Accessible Living Suite Fund	1,039	-	-	-	1,039
Outdoor Area Fund / Sensory Garden	14,280	56,517	-	(70,530)	267
Minibus Fund	33,875	-	-	(33,875)	-
Maytree Preschool	-	2,099	-	-	2,099
	<u>1,033,187</u>	<u>58,616</u>	<u>(51,211)</u>	<u>3,515</u>	<u>1,044,107</u>

Purposes of Restricted Funds

Fixed asset fund

This fund includes fixed assets (buildings, plant & equipment and motor vehicles) acquired for a specific restricted purpose or using a specific restricted funding stream, typically, gifts, grants and donations. The value of this fund is depreciated over time in accordance with the accounting policies in place and guidance received on useful economic lives.

Accessible living suite fund

This fund represents a grant to adapt an existing teaching space to enable children and young people to exercise control over this environment using WiFi enabled devices. The remaining balance has now been spent.

Outdoor area fund / Sensory garden

This fund represents donations received, over the past couple of years, towards the outdoor area / sensory garden project. The balance on this fund was spent during 2024. The works have now been completed.

Minibus fund

This fund represents donations received towards the purchase of a new WAV minibus. The balance on the fund was carried forward until the full cost of the minibus was raised. The new minibus arrived in July 2023 and is reported in full in these financial statements.

Maytree Pre-school

A local charitable pre-school was closed during the 2024 accounts year. The charity's trustees decided that Vbranch House should receive all remaining, unspent monies for future use in the charity's nursery setting.

Other restricted donations or grants including Masonic funds

This fund represents other small restricted donations and grants received by Vbranch House which are utilised in accordance with any terms and conditions given.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
General funds	8,398,821	3,720,674	(3,281,413)	3,567	8,841,649
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
General funds	7,671,310	3,580,139	(2,849,113)	(3,515)	8,398,821

22 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	4,017,881	1,029,213	5,047,094
Current assets/(liabilities)	4,823,768	-	4,823,768
	8,841,649	1,029,213	9,870,862
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	3,931,995	1,040,702	4,972,697
Current assets/(liabilities)	4,466,826	3,405	4,470,231
	8,398,821	1,044,107	9,442,928

Unrestricted funds

At year end, unrestricted funds total £8,841,649 (2024: £8,398,821) and include an unrestricted general fund surplus of £6,764,838 (2024: £6,279,626) and a revaluation reserve surplus of £2,076,811 (2024: £2,119,195).

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

23 Capital commitments	2025	2024
	£	£
Amounts contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	9,655	44,940
24 Related party transactions		
During the year the charity purchased services totalling £180 from a company for which one of the Trustees is a director.		
25 Cash (absorbed by)/generated from operations	2025	2024
	£	£
Surplus for the year	427,934	738,431
Adjustments for:		
Investment income recognised in statement of financial activities	(114,715)	(76,882)
Gain on disposal of tangible fixed assets	(463)	-
Depreciation and impairment of tangible fixed assets	219,355	200,208
Movements in working capital:		
(Increase)/decrease in stocks	(3,497)	1,838
(Increase) in debtors	(727,414)	(44,783)
Increase in creditors	50,714	1,423
(Decrease) in deferred income	(5,695)	(4,476)
Cash (absorbed by)/generated from operations	(153,781)	815,759
26 Analysis of changes in net funds		
The society had no material debt during the year.		

Vbranch House Limited

England & Wales - Charity number 1002700

Accounts

Charity registration number 1002700

Company registration number 02599511 (England and Wales)

VRANCH HOUSE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

VRANCH HOUSE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J Tolman-May Mr A J Griffin Mrs R Neary Miss P Hale Mrs R Pavitt Dr R Tomlinson Mrs S Tutinas
Secretary	Mrs K Moss
Charity number	1002700
Company number	02599511
Registered office	Vranch House Pinhoe Road Exeter Devon EX4 8AD
Auditor	Simpkins Edwards Audit LLP The Summit Woodwater Park Pynes Hill Exeter EX2 5WS
Bankers	Natwest Exeter Branch 59 High Street Exeter Devon EX4 3DL
Solicitors	Foot Anstey Solicitors Senate Court Southernhay Gardens Exeter EX1 1NT

VRANCH HOUSE LIMITED

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VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the society's governing document, the Companies Act 2006 and "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).

Objectives and activities

Objectives and Aims

The charity's objects and principal activities continue to be those of:

1. Promoting and providing facilities for the care, education, training, treatment and welfare, in their respective aspects, of children and young people with physical difficulties.
2. Advising, helping or catering for the needs of the parents or others having the care of children and people with physical difficulties.

The core activities arising from these aims are the education of children with physical difficulties from the age of 2 to 19 at Vbranch House School and the provision of paediatric therapies and clinical treatment to children as outpatients at locations throughout Devon. The charity has also developed Opportunity Technology, a not-for-profit service which designs, installs and maintains assisted mobility tracks and robotic vehicles throughout England and Wales.

Achievement and performance

In order to direct the activities of the charity in such a way that Public Benefit can be identified clearly, the Trustees have set out the following Aims and Strategies:

School Aim: The school is to be organised, equipped, staffed, managed and operated to the highest national standards.

- Strategy to Achieve Aim: The Governors will monitor the established Continuous Improvement Programme and the School Audit Cycle with the intention of maintaining the high OFSTED gradings of "outstanding" as achieved in 2018 and 2022. We have also had additional inspections due to inclusion in a EIF Pilot and a material change inspection with excellent results.

Clinic Aim: The charity's clinical activities are to be organised, equipped, staffed, managed and operated to the highest national standards.

- Strategy to Achieve Aim: The Trustees will monitor clinical operations with the intention of maintaining a prompt and efficient service with excellent standards of care. To do this, the Trustees will use tools such as reports and standards set by the National Service Framework, NICE guidance and quality audits conducted in alliance with our statutory partners.

Financial Performance Aim: The charity's financial affairs are to be conducted to the highest levels of public probity and according to the policies and procedures established for service and capital development consistent with the need to demonstrate Public Benefit.

- Strategy to Achieve Aim: The Trustees will consider financial performance indicators, other financial records and risk assessments at all their meetings, to ensure that all our financial processes meet the requirements of both the Charity Commission and Companies House. The Trustees will look at the record of expenditure to ensure that public monies are used exclusively for the Public Benefit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the society should undertake.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Public Benefit

The Trustees are pleased to note that the record of operations for the year under review complied with the aims and strategies set out by the Board and have met expectations. The school has been consistently full over the year. The school staffing team has been maintained ensuring a high standard of care for all pupils. We also increased the equipment available to ensure all children's therapeutic and health needs are being met.

The complexity of health needs means that we must continually appraise the level of staffing across all disciplines, and we are lucky to be able to recruit new staff to the team to make growth possible without diluting our high standard of care in the delivery of healthcare and education. We have continued to meet pupils' Education and Health Care Plan requirements.

We continued to upgrade facilities via the addition of a path to enable access to more of the garden and a shelter for staff to enjoy the outdoor space, in all weathers, when they are having well earned breaks. The staff room has also been updated for the first time in over 20 years. We now have a beautiful space that is work free for all staff to access and a space to host parents coffee mornings. In this financial year we further invested in the professional development of our staffing body, with staff accessing courses such as the HLTA (Higher Level Teaching Assistant) course, gait and hypertonics clinical courses towards teaching qualifications,

Engagement with the range of outpatient services across the whole of the service area continued to be positive. Hippotherapy is now well established as a treatment technique alongside hydrotherapy and individualised exercise programmes. We maintained a high level of support to main-stream schools through direct clinical interventions and training programmes such as the Fun Fit and High Five training programmes, which train school staff to recognise and use intervention techniques for gross and fine motor developmental coordination disorder. Whilst keeping the price as low as possible the Fun Fit and High Five programmes also contribute to the charity's income.

Mean waiting times for the year across all our therapy services were 20 weeks against a national target of 18 weeks. This is again an increase on our usually low waiting times. The longer mean waiting time was primarily due to staffing levels and the hard task of recruiting into health positions post covid.

The therapy service has maintained its high quality. We have an excellent record of high satisfaction of patients accessing our services and this is supported by the policy to allow and encourage families to speak directly to the Chief Executive, Head of Therapies and Head of Education, if they wish. The thorough training of staff in how to interact with and support patients and their families also aids patient satisfaction and engagement with the service. During this year we have had no formal complaints.

The Charity has continued to work hard to strengthen links with the local community, and to use social media and community events such as fêtes to further promote the good work of the Charity within the community. A wide staff team all support the teacher with fundraising responsibility, promoting events, attending fundraising events such as quiz nights and fêtes and even hosting our own new initiatives such as a Christmas wreath making course.

This year has seen the new Children's sensory path school experience working on physical and paly targets such as bike riding or walking longer distances. The staff experience has been improved by new staffroom facilities providing a relaxing place for them.

Good long term financial planning has meant we have been able to absorb the significant rise in costs for the charity this year, such as for heating and other running costs.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

Financial position

The statement of Financial Activities shows total income for the year ending 31 March 2024 of £3,638,755 (2023: £3,296,298), an increase of £342,457 (2023: £309,123) partially due to increased fundraising and securing an increase in NHS contract inflation for the cost of clinical services and DCC for education placements. The Society's net current assets stand at £4,470,231 (2023: £3,692,592); this increase of £777,639 (2023: £777,101) is the result of the corresponding increase in income in relation to expenditure. The Society has net assets amounting to £9,442,928 (2023: £8,704,497) - an increase mainly generated by higher capital spend but a reduction in spending on other large projects.

The net income and net movement in funds for the year is £738,431 (2023: £720,480). Adding back depreciation of £200,208 (2023: £196,163) (a non-momentary expense) and the movement in working capital to this net income, the Society made a cash surplus in the year of £815,759 (2023: £959,943). This is a decrease from 2023 due to the increase in expenditure for staff costs and operating costs during 2024.

The total income from charitable activities of £3,429,374 (2023: £3,214,939) includes the contract income from the contracts for clinical and educational services. The total income from donations, grants and legacies is £105,051 (2023: £41,187).

Reserves & Going Concern

The Trustees have established a liquid reserves practice so that it is consonant with the revenue interests of a service charity. The forecast level of funding is such that an operating surplus is expected for the current year and the maintained reserve is such to provide a cushion in the event that either of the largest sources of income is threatened.

The Trustees are unanimous in the opinion that the Charity remains a going concern.

Investment policy

The Memorandum and Articles provide the Trustees with the power to make investments as they choose but consonant with current Charity Commission advice. The charity's cash assets are invested in a Business Reserve account, but we will consider utilising opportunities for low-risk investment when interest rates allow. This year, we have moved reserves into different bank accounts, allowing low risk investment. This year, we received income from bank interest of £76,882 compared with £14,905 in 2023.

Income & Service Risks

Notwithstanding the strategies for maintaining Public Benefit (q.v. Public Benefit Aims & Strategies above) the Trustees, having reviewed the strategic objectives of the charity in the light of possible obstructions to achieving them, have determined that;

1. **Income Growth:** We have defined a Core Offer for the school which reflects the Special Education Needs and Disabilities (SEND) process, allows for use of the Devon Framework and enables Educational, Health and Care Plans (EHCPs). Both income from the health contract and the education contract have had an increase in line with the increase of the national minimum wage but our expenses have also increased.
2. **Income Security:** The separate contracts are non-competitive because of the high amount of public benefit developed by it. The contract has a 25-year life (until 2036). The charity contribution includes the capital charges and revenue it waives, principally for the use of capital facilities which the charity owns, and the running costs of these facilities. Strong negotiations with the NHS will need to continue as significant running costs are being incurred by the charity.
3. **Quality Standards:** The Chief Executive is tasked with maintaining a continuous cycle of Risk Assessment reviews, assisted and advised by the Heads of Department (the Head of Therapies and the Head of Education). Principal amongst these are those relating to Safeguarding, Health & Safety and Financial Probity. The on-going review and development of these risk assessments and the policies and procedures that flow from them is of the highest priority as essential elements of the charity's strategic interest.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Plans for future periods

The Service Led Agreement with Devon County Council (DCC) and the ICB Health Board (formally known as the CCG) has operated since the 1st of April 2011. The Agreement set a target for charitable investments in these statutory services to be 30% of the total cost. Our core education offer provides significant value for money for the local authority. The core offer is in line with the Charity's aim and ensuring that the local authority continue to commission the service and strengthening the Charity's position as a provider for SEN education in Devon.

The capacity for school pupil numbers is set at 55, which is the maximum number that we currently have DCC/DFE/Ofsted approval for. We are able, with agreement from DCC, to go over this number by 10% if DCC have need for the places. We currently have 59 pupils on role.

The charity continues to establish benchmarks in clinical and educational practice to accomplish its goal of not just meeting but exceeding service delivery standards. Workforce development underpins the ethos at Vbranch House driving excellent provision and improving retention of staff. The continuous professional development of our clinical services and education provision is ongoing. With continued online training courses being available (started during the Covid-19 restrictions), Vbranch House has been able to provide more professional development for staff which may not have previously been available to them, including specialist training courses for clinical staff that have taken place abroad.

Face to face training is now back to pre-Covid levels and we have been able to support staff with courses, mileage and accommodation, when required.

The Trustees have established a conservative policy for future capital spend, and for the development of all the charity services. Whilst our statutory partners are actively engaged in establishing new ways of delivering services, in which this charity will play a significant part, there will be a continuation of the need to adopt new methods of working to sustain current activity levels, at similar cost. Our community presence is building. We have had a significant increase in social media activity, increasing fundraising to allow us to take on projects such as improvements to the sensory garden and purchasing equipment for the children.

Whilst the Charity aims to keep a reserve in place to maintain a full year's running costs (an amount that increases each year, and includes all staff and facilities costs). We review our financial policies and business planning regularly.

The Charity has a strong business plan, looking forwards at possible ways to develop the Charity. All possible developments are scrutinised and analysed at Trustee level before any commitment is made.

Structure, governance and management

Governing document

The organisation is a company limited by guarantee (registered number 02599511), incorporated on 9 April 1991, and an independent charity registered with the Charity Commission on 15 May 1991 (registered number 1002700). It is governed by its Memorandum and Articles of Association and the Instrument of Management. Any person over the age of 18 can become a member of the charity on payment of an annual fee of £2 (for those not in work) or £5 (for those in employment). There are currently 50 (2023: 49) members, each of whom are liable to the extent of their membership fee in the event of the company being wound up. All the members have the right to vote at General Meetings.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs J Tolman-May

Mr A J Griffin

Mrs R Neary

Miss P Hale

Mrs R Pavitt

Miss S Williams

(Resigned 9 April 2023)

Dr R Tomlinson

Mrs S Tutinas

Appointment of trustees

The number of trustees can be set at any General Meeting but has rarely varied from a mean of 12 between the minimum of 8 and maximum of 16 stated in the Governing Document. The membership are free to nominate trustees and these nominations are ratified at the Annual General Meeting. The senior officers (Chairman and Vice Chairman) are elected every year and the Chief Executive acts as Company Secretary. Employees of the charity may be members of the charity and three senior employees are ex officio members of the Board of Trustees but no employee is entitled to vote at any meeting of the Trustees. The Executive Committee of the charity is known as the Board of the Society and the Board may co-opt any member of the charity to fill a specialist role.

Induction and training of new trustees

New Trustees follow an induction process involving a full briefing on their obligations under charity and company law, the structure of the charity and its operational procedures as set out in the Memorandum and Articles of Association and of those changes in statute which bear directly on the work of the charity (principally legislation in the areas of Education and Health). A briefing document has been prepared ready to work alongside a more formal induction and training process. Trustees are usually appointed because of specialist skills but the charity will meet any identified need for specialist training. Recruitment for new trustees has been agreed by the current board and skill set gaps have been identified and are being specifically recruited for.

Remuneration policy

The Trustees serve as volunteers and eschew reward and expenses.

The practice established by the Trustees for setting and reviewing the pay for all employed staff is:

1. As the charity exists to provide services and these services are delivered by trained personnel, expenditure on pay is the largest part of all revenue spending. The rates and costs of staff expenditure are thus reviewed and approved by the Trustees at all their meetings.
2. Pay rates for all staff are set on the principal that the rates must be competitive within the local charitable and statutory sectors so that the charity can continue to recruit high quality staff.
3. As the charity employs and relies on the services provided by a number of personnel without professional qualifications, pay at a lower level must exceed nation benchmarks. The charity pays in excess of the national living wage to all staff.
4. The multiple between the lowest and the highest paid should not exceed a factor of five.
5. All staff must have access to appropriate pension schemes.
6. The Chief Executive is responsible for providing the Management Committee and the Board of Trustees with information on the annual pay and emoluments budget.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Board of the Society

Mrs J Tolman-May - Chairman
Mrs R Neary - Vice Chairman
Mr A J Griffin
Miss P Hale
Mrs R Pavitt
Dr R Tomlinson
Miss S Williams (Resigned 9 April 2023)
Mrs S Tutinas
Mrs K Moss (ex-officio as Chief Executive with no vote)
Mr I Norton (ex-officio as Head of Education) (Resigned 31 May 2023)
Mrs Kayleigh Price (ex-officio as Head of Education) (Appointed 1 June 2023)
Ms R Wheeler (ex officio as Business Manager)
Mrs S Mitchell (ex officio as Head of Therapies) (Appointed 1 April 2023)

Company Secretary & Chief Executive

Mrs K Moss

Board of Governors

Mrs J Tolman-May - Chairman
Mrs R Neary - Vice Chairman
Mrs K Moss - Secretary
Mr I Norton - Head of Education (Resigned 31 May 2023)
Mrs K Price - Head of Education (Appointed 1 June 2023)
Mrs V Lye - Staff Member
Mrs S Tutinas - Parent Governor
Mr A J Griffin - Parent Governor
Mrs N Kelly - Parent Governor
Mr H Gray - Parent Governor

Management Committee

Mrs J Tolman-May - Chairman
Mrs K Moss
Ms R S Wheeler

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Organisation

The Board of the Society has a strategic oversight of the charity and meets at least four times a year. The Board employs a Chief Executive to work with a Head of Therapies and a Head of Education to oversee, direct and drive forward the Board's policies for the Clinic and the School (the principal operations of the charity).

The Chief Executive has delegated powers for the day-to-day operation of the Board's policies for employment, finance, contracts, legal compliance (including Equal Opportunities), buildings and acquisitions, risk assessment and mitigation, Health and Safety and business development.

To assist the Head of Education and meet statutory obligations for maintained schools, the Board has established a Board of Governors for the school. The Board of Governors has direct control of those matters bearing on the delivery of the educational service. Educational issues that are not within the scope of the Governors, are referred to the Board of Trustees.

The Head of Therapies is responsible to the Trustees for the full delivery of the clinical contract which includes professional and service delivery standards.

We also have a Business Manager in post to strengthen the Charity's management team. The finance team has been increased to 2 people to ensure if staff sickness occurs the Charity is able to fulfil the day-to-day financial activities that occur such as ordering, paying bills and staff. The Business Manager and Chief Executive also oversee some of the financial procedures too, as per the charity's policies, to ensure good practice and to safeguard the finance team and Charity from financial fraud.

Risk management

As a normal part of the annual business cycle the Society reviews its Risk Assessments. These include financial management, accounting, security of cash and removable assets, insurances, fire and Health & Safety. The outcome of these assessments is reported to the Trustees by the Chief Executive. The safeguarding, Health and Safety, Legionella and Fire Risk Assessments are translated into operating policies which are available to all employees. Employees at every level are encouraged to contribute to the continuous business of risk assessment through the Staff Meetings held every month.

Public Benefit - General Statement

The Trustees have established a practice of continuously reviewing all of the charity's activities and the development of services to ensure that they remain consonant with the requirements of the 2011 Charities Act, and particularly with Section 4 of the Act; the need to demonstrate Public Benefit. The charity operates in partnership with statutory bodies to provide expertise, treatment and enhanced services to children with physical disabilities. Referrals to the service are made by Local Authorities, medical professionals and parents. All service-appropriate referrals are seen for assessment and many children then access therapeutic interventions. The Local Authority can consult with the school for a place at the school for children with additional needs and a relevant EHCP.

The referral process, whether as a therapy outpatient or potential school pupil, is controlled by the charity. A school placement or therapy intervention might be deemed inappropriate at the assessment stage but only for reasons that are cogent, demonstrable and compliant with benchmarked national practice. The charity is as public a body as its statutory partners, and enters into no private arrangements for individual treatment. No member of the public is denied the services provided by the charity provided those services are assessed to be suitable and appropriate for the individual concerned, and the parents or guardians interact with the Charity appropriately.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Related parties

The Society has formal and informal relationships with many other statutory and voluntary bodies. Principal amongst these is the 25-year Strategic Partnership Agreement with NHS Devon and Devon County Council under which the charity is funded for a proportion of the costs of the statutory educational and clinical services it provides. Services provided by the NHS ICB / CCG include the delivery of clinical therapies at the Vbranch House site.

The network of national and local charities and voluntary bodies is too complex and numerous to describe fully but the Society retains active links with The Exeter Chiefs Foundation, Dream-Away, Stanley Beau Foundation, CEDA and several County and national grant-making trusts. A similar network of local groups and individuals continue to assist the Society in raising funds for children at Vbranch House, and this incredibly generous and loyal support provides a much-needed and indispensable resource. The charity has also forged close links with the NHS funded Specialist Children's Assessment Centre, part of Children and Family Health Devon, which it hosts in a purpose-built facility on the Vbranch House site.

Auditor

In accordance with the company's articles, a resolution proposing that Simpkins Edwards Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Mrs J Tolman-May

Trustee

13 December 2024

VRANCH HOUSE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of Vbranch House Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 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 society will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the society 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 society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VRANCH HOUSE LIMITED

Opinion

We have audited the financial statements of Vbranch House Limited (the 'society') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2024 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 society 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VRANCH HOUSE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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
- 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 trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the society for the purpose 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. In preparing the financial statements, the trustees are responsible for assessing the society'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charitable company through discussions with the Chief Executive and other management, and from our knowledge and experience of the charity, education and health sectors;
- We focused on specific laws and regulations which we considered may have a direct, material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, data protection, anti-bribery, employment, child protection, safety and health guidance and regulatory rules surrounding supporting, caring for and educating children and the safe operation of the centre, the pool and the site grounds and buildings;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries with management, reviewing correspondence with industry regulators, and inspecting legal correspondence; and
- Documented our findings on our audit file and considered the implications for our audit report.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VRANCH HOUSE LIMITED

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud or error might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud, or error or mistake, and
- considering the internal controls in place to mitigate risks of fraud, error or mistake.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiry of management as to actual and potential litigation and claims and related notifications; and
- reviewing correspondence with HMRC, relevant regulators and legal advisors.

There are inherent limitations in our audit procedures described above. For example, non-compliance with non-financial laws and regulations are likely to be harder for us to identify or to quantify.

Material misstatements that arise due to fraud are often harder to detect than those that arise from error or mistake, as the transactions carried out to commit such offences often involve the deliberate concealment or removal of charity assets or collusion from those charged with governance and/or employees in such acts.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Williams BSc FCA CTA (Senior Statutory Auditor)
for and on behalf of Simpkins Edwards Audit LLP

13 December 2024

Chartered Accountants
Statutory Auditor

The Summit
Woodwater Park
Pynes Hill
Exeter
EX2 5WS

VRANCH HOUSE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Notes							
Income and endowments from:							
Donations and legacies	3	46,435	58,616	105,051	22,487	18,700	41,187
Charitable activities	4	3,429,374	-	3,429,374	3,214,939	-	3,214,939
Other trading activities	5	26,870	-	26,870	22,767	-	22,767
Investments	6	76,882	-	76,882	14,905	-	14,905
Other income	7	578	-	578	2,500	-	2,500
Total income		3,580,139	58,616	3,638,755	3,277,598	18,700	3,296,298
Expenditure on:							
Raising funds	8	3,524	-	3,524	10,154	-	10,154
Charitable activities	9	2,753,941	51,211	2,805,152	2,405,558	48,280	2,453,838
Other expenditure incurred		88,384	-	88,384	109,614	-	109,614
Bank charges and society expenses	13	3,264	-	3,264	2,212	-	2,212
Total expenditure		2,849,113	51,211	2,900,324	2,527,538	48,280	2,575,818
Net income		731,026	7,405	738,431	750,060	(29,580)	720,480
Transfers between funds		(3,515)	3,515	-	-	-	-
Net movement in funds		727,511	10,920	738,431	750,060	(29,580)	720,480
Reconciliation of funds:							
Fund balances at 1 April 2023		7,671,310	1,033,187	8,704,497	6,921,250	1,062,767	7,984,017
Fund balances at 31 March 2024		8,398,821	1,044,107	9,442,928	7,671,310	1,033,187	8,704,497

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 16 to 32 form part of these financial statements.

VRANCH HOUSE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	15		4,972,697		5,011,905
Current assets					
Stocks	16	2,089		3,927	
Debtors	17	98,080		53,297	
Cash at bank and in hand		4,457,528		3,725,887	
		<u>4,557,697</u>		<u>3,783,111</u>	
Creditors: amounts falling due within one year	18	(87,466)		(90,519)	
Net current assets			4,470,231		3,692,592
Total assets less current liabilities			<u>9,442,928</u>		<u>8,704,497</u>
Net assets			<u>9,442,928</u>		<u>8,704,497</u>
The funds of the society					
Restricted income funds	20	1,044,107		1,033,187	
Unrestricted funds		8,398,821		7,671,310	
		<u>9,442,928</u>		<u>8,704,497</u>	

The notes on pages 16 to 32 form part of these financial statements.

The financial statements were approved by the trustees on 13 December 2024

Mrs J Tolman-May
Trustee

Company registration number 02599511 (England and Wales)

VRANCH HOUSE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	25		815,759		959,943
Investing activities					
Purchase of tangible fixed assets		(161,000)		(139,541)	
Investment income received		76,882		14,905	
Net cash used in investing activities			(84,118)		(124,636)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			731,641		835,307
Cash and cash equivalents at beginning of year			3,725,887		2,890,580
Cash and cash equivalents at end of year			4,457,528		3,725,887

The notes on pages 16 to 32 form part of these financial statements.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Vranch House Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Vranch House, Pinhoe Road, Exeter, Devon, EX4 8AD. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the society's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The society is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the society. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity continues to rely on the Service Led Agreement with Devon County Council (DCC) and the ICB Health Board (formerly known as the new CCG), as set out in the Trustees' Report. Based on information received to date, the Trustees have no reason to believe this support will not continue. These accounts have therefore been prepared on a going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives. Unrestricted funds include a revaluation reserve representing the re-statement of the property at market value.

Restricted funds are subject to specific conditions and can only be used for particular restricted purposes. Restrictions arise when specified by donors or when funds are raised for a specific purpose or project. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the society is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. All income is then included in the Statement of Financial Activities.

Cash donations are recognised on receipt. Other donations are recognised once the society has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the society has been notified of an impending distribution, for example by grant of probate, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants receivable, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds. This means; any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Membership subscriptions of £2 or £5 per annum are receivable from members. Should a member not pay their subscriptions, when due, they will be removed from the society.

Investment income is included when receivable.

The value of services provided by volunteers has not been included in these accounts. Further details of the contribution made by volunteers can be found in the Trustees Report.

Donated services and goods

Donated professional services and goods are recognised as income when the charity has control over the item, any conditions associated with the donated items have been met, the receipt of economic can be measured reliably. On receipt, donated professional services and donated goods are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or goods of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent on charitable or other activities, depreciation charges are allocated on the portion of the asset's use. Establishment and motor costs are allocated based on usage of buildings / floor space and vehicles utilised.

All expenditure is accounted for on an accruals basis, inclusive of Value Added Tax, which cannot be recovered.

Costs of raising funds are primarily incurred in attracting donations, gifts and grants and also the costs associated with other trading activities such as the annual summer fair.

The charity does not make any charge for capital costs to any of its principal customers.

Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity. They include the audit, accounts and legal fees of the society together with staff training and recruitment charges linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Property improvements	5% on cost or over 5 years
Plant and equipment	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

The costs of minor additions or items costing less than £500 (2022: £300) are not capitalised.

1.7 Impairment of fixed assets

At each reporting end date, the society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. A first in, first out method of allocation is applied. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the society's balance sheet when the society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the society's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The company is a registered charity and is exempt from taxation as long as it remains within the terms laid down by the Charity Commission.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the society is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The Charity has arranged two defined contribution pension schemes for those members who are not eligible to join the Teachers' Pension Scheme. The assets of these schemes are held separately from those of the Charity.

The Charity has another defined contribution pension scheme, which was set up to comply with the government legislation for compulsory pensions in the work place.

All three of these defined pension schemes are operated by insurance companies, the employees contract directly with the insurance company. The Charity acts as agent in collecting and paying over pension contributions. There will be no liability to the Charity.

Teaching staff employed by the charity are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory contributory, unfunded defined benefit scheme administered by the Teachers' Pension Agency, and executive agency of the Department for Education and Employment. Pension costs are accessed in accordance with the advice of the Government Actuary. The scheme is guaranteed by the government and therefore there will be no liability to the Charity.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Charity in the year for the defined benefit scheme and the three defined contribution pension schemes. All four schemes are funded by contributions from employee and employer.

2 Critical accounting estimates and judgements

In the application of the society's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	15,232	58,616	73,848	22,442	18,700	41,142
Legacies receivable	31,138	-	31,138	-	-	-
Membership fees	65	-	65	45	-	45
	<u>46,435</u>	<u>58,616</u>	<u>105,051</u>	<u>22,487</u>	<u>18,700</u>	<u>41,187</u>

4 Income from charitable activities

	School contracts 2024 £	Health Assessment contract 2024 £	Other charitable acts 2024 £	Total 2024 £	Total 2023 £
Services provided under contract	2,054,345	1,195,191	165,084	3,414,620	3,186,289
Other income	-	-	-	14,754	28,650
	<u>2,054,345</u>	<u>1,195,191</u>	<u>165,084</u>	<u>3,429,374</u>	<u>3,214,939</u>
Analysis by fund					
Unrestricted funds	<u>2,054,345</u>	<u>1,195,191</u>	<u>165,084</u>	<u>3,429,374</u>	<u>3,214,939</u>

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Income from charitable activities		(Continued)											
Previous year:		School contracts	Health Assessment contract	Optech	Other charitable acts	Other school acts	Total						
	2023	2023	2023	2023	2023	2023	2023						
	£	£	£	£	£	£	£						
Services provided under contract	1,904,820	1,114,220	160,432	6,817	-	-	3,186,289						
	-	-	-	-	13,538	15,112	28,650						
	1,904,820	1,114,220	160,432	6,817	13,538	15,112	3,214,939						
Analysis by fund													
	1,904,820	1,114,220	160,432	6,817	13,538	15,112	3,214,939						

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising events	5,977	7,465
Letting and licensing arrangements	20,893	15,302
	<u> </u>	<u> </u>
Other trading activities	26,870	22,767
	<u> </u>	<u> </u>

6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	76,882	14,905
	<u> </u>	<u> </u>

7 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Courses	578	2,500
	<u> </u>	<u> </u>

8 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Other fundraising costs	3,524	2,502
Staff costs	-	7,652
	<u> </u>	<u> </u>
	3,524	10,154
	<u> </u>	<u> </u>

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Expenditure on charitable activities

	School contracts	Health Assessment contract	centre	Optech	Other charitable acts	Total
	2024	2024	2024	2024	2024	2024
	£	£	£	£	£	£
Direct costs						
Staff costs	1,377,819	934,818	13,477	2,665	2,032	2,330,811
Other direct costs	244,834	167,926	33,620	9,926	18,035	474,341
	<u>1,622,653</u>	<u>1,102,744</u>	<u>47,097</u>	<u>12,591</u>	<u>20,067</u>	<u>2,805,152</u>
Analysis by fund						
Unrestricted funds	1,591,926	1,082,260	47,097	12,591	20,067	2,753,941
Restricted funds	30,727	20,484	-	-	-	51,211
	<u>1,622,653</u>	<u>1,102,744</u>	<u>47,097</u>	<u>12,591</u>	<u>20,067</u>	<u>2,805,152</u>
Previous year:						
	School contracts	Health Assessment contract	centre	Optech	Other charitable acts	Total
	2023	2023	2023	2023	2023	2023
	£	£	£	£	£	£
Direct costs						
Staff costs	1,231,592	795,665	27,789	8,013	-	2,063,059
Other direct costs	203,703	140,135	22,040	8,431	16,470	390,779
	<u>1,435,295</u>	<u>935,800</u>	<u>49,829</u>	<u>16,444</u>	<u>16,470</u>	<u>2,453,838</u>
Analysis by fund						
Unrestricted funds	1,406,327	916,488	49,829	16,444	16,470	2,405,558
Restricted funds	28,968	19,312	-	-	-	48,280
	<u>1,435,295</u>	<u>935,800</u>	<u>49,829</u>	<u>16,444</u>	<u>16,470</u>	<u>2,453,838</u>

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Support and admin staff costs	32,218	-	32,218	56,192	-	56,192
Staff recruitment fees and other costs	11,031	-	11,031	1,928	-	1,928
Staff training and course costs	20,917	-	20,917	13,187	-	13,187
Audit fees	-	10,740	10,740	-	8,790	8,790
Accountancy	-	6,420	6,420	-	3,858	3,858
Legal and professional	-	7,058	7,058	-	25,659	25,659
	<u>64,166</u>	<u>24,218</u>	<u>88,384</u>	<u>71,307</u>	<u>38,307</u>	<u>109,614</u>
Analysed between Other expenditure incurred	<u>64,166</u>	<u>24,218</u>	<u>88,384</u>	<u>71,307</u>	<u>38,307</u>	<u>109,614</u>

Governance costs includes payments to the auditors of £10,740 (2023- £8,790) for audit fees.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or other benefits during the year nor for the year ended 31 March 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Chief Executive	1	1
Vranch House school	67	59
Health contract	27	31
Administration and support	10	8
Total	<u>105</u>	<u>99</u>

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

12 Employees (Continued)

Employment costs	2024 £	2023 £
Wages and salaries	2,049,782	1,844,445
Social security costs	163,769	145,160
Other pension costs	149,478	137,298
	<u>2,363,029</u>	<u>2,126,903</u>

The charity considers its key management personnel comprise the Chief Executive, Head of Education, Head of Therapies, the Business Support Manager and the Finance Administrators.

The total employment costs (salary, employer's NIC and pension) for the key management personnel was £431,346 (2023: £299,316).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
Band between £60,000 and £70,000	-	2
Band between £70,001 and £80,000	1	-
Band between £90,001 and £100,000	-	1
Band between £110,001 and £120,000	1	-
	<u>1</u>	<u>3</u>

13 Bank charges and society expenses

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Financing costs	706	600
Other expenditure	2,558	1,612
	<u>3,264</u>	<u>2,212</u>

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Tangible fixed assets

	Freehold land and buildings £	Property improvements £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2023	5,426,183	678,934	904,568	86,134	7,095,819
Additions	-	89,052	34,558	37,390	161,000
At 31 March 2024	5,426,183	767,986	939,126	123,524	7,256,819
Depreciation and impairment					
At 1 April 2023	1,152,790	120,866	736,766	73,492	2,083,914
Depreciation charged in the year	111,677	35,550	40,472	12,509	200,208
At 31 March 2024	1,264,467	156,416	777,238	86,001	2,284,122
Carrying amount					
At 31 March 2024	4,161,716	611,570	161,888	37,523	4,972,697
At 31 March 2023	4,273,393	558,068	167,802	12,642	5,011,905

The cost of freehold property is £3,306,988 (2023: £3,306,988). The property was revalued in March 2012, the revaluation uplift was £2,119,195. The revaluation surplus is reflected in the unrestricted funds balance.

The trustees had the land and buildings valued by John Daborn FRICS, Drew Pearce, Exeter in March 2016. A valuation of £5,490,000 was made on a depreciated replacement cost basis assuming that all ongoing works had been completed. The valuation has not been reflected in the financial statements.

16 Stocks

	2024 £	2023 £
Finished goods and goods for resale	2,089	3,927

17 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	13,610	13,624
Prepayments and accrued income	84,470	39,673
	98,080	53,297

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		32,088	31,494
Deferred income		5,695	10,171
Trade creditors		11,549	6,211
Other creditors		16,902	20,368
Accruals		21,232	22,275
		<u>87,466</u>	<u>90,519</u>

19 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>92,218</u>	<u>83,884</u>

The society operates a defined contribution pension scheme for qualifying employees. The assets of the scheme are held separately from those of the society in an independently administered fund.

Defined benefit scheme

The employer's contributions made to the Teachers' Pension Scheme - which is a defined benefit scheme - in the year amounted to £57,260 (2023: £53,414).

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of reserves and monies held on trust for specific purposes:

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Fixed Asset Fund	983,993	-	(51,211)	107,920	1,040,702
Accessible Living Suite Fund	1,039	-	-	-	1,039
Outdoor Area Fund / Sensory Garden	14,280	56,517	-	(70,530)	267
Minibus Fund	33,875	-	-	(33,875)	-
Maytree Preschool	-	2,099	-	-	2,099
	<u>1,033,187</u>	<u>58,616</u>	<u>(51,211)</u>	<u>3,515</u>	<u>1,044,107</u>

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

20 Restricted funds (Continued)

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Fixed Asset Fund	1,021,584	-	(48,280)	10,689	983,993
Accessible Living Suite Fund	1,039	-	-	-	1,039
Outdoor Area Fund	1,268	13,012	-	-	14,280
Minibus Fund	33,187	5,688	-	(5,000)	33,875
Masonic Fund	5,689	-	-	(5,689)	-
	<u>1,062,767</u>	<u>18,700</u>	<u>(48,280)</u>	<u>-</u>	<u>1,033,187</u>

Purposes of Restricted Funds

Fixed asset fund

This fund includes fixed assets (buildings, plant & equipment and motor vehicles) acquired for a specific restricted purpose or using a specific restricted funding stream, typically, gifts, grants and donations. The value of this fund is depreciated over time in accordance with the accounting policies in place and guidance received on useful economic lives.

Accessible living suite fund

This fund represents a grant to adapt an existing teaching space to enable children and young people to exercise control over this environment using WiFi enabled devices. The remaining balance will be spent in future.

Outdoor area fund / Sensory garden

This fund represents donations received, over the past couple of years, towards the outdoor area / sensory garden project. The balance on this fund was spent during 2024. The works have now been completed.

Minibus fund

This fund represents donations received towards the purchase of a new WAV minibus. The balance on the fund was carried forward until the full cost of the minibus was raised. The new minibus arrived in July 2023 and is reported in full in these financial statements.

Maytree Pre-school

A local charitable pre-school was closed during the 2024 accounts year. The charity's trustees decided that Vbranch House should receive all remaining, unspent monies for future use in the charity's nursery setting.

Masonic fund

This fund represents a donation to cover the cost of a riding simulator and the accessories to go along side it. The remaining balance on the fund from 2022 was carried forward to pay for further accessories and associated equipment purchased in 2023. The fund has now been fully utilised.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
General funds	7,671,310	3,580,139	(2,849,113)	(3,515)	8,398,821
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
General funds	6,921,250	3,277,598	(2,527,538)	-	7,671,310

22 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	3,931,995	1,040,702	4,972,697
Current assets/(liabilities)	4,466,826	3,405	4,470,231
	8,398,821	1,044,107	9,442,928
	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Tangible assets	4,027,912	983,993	5,011,905
Current assets/(liabilities)	3,643,398	49,194	3,692,592
	7,671,310	1,033,187	8,704,497

Unrestricted funds

At year end, unrestricted funds total £8,398,821 (2023: £7,671,310) and include an unrestricted general fund surplus of £6,279,626 (2023: £5,552,115) and a revaluation reserve surplus of £2,119,195 (2023: £2,119,195).

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

23 Capital commitments	2024	2023
	£	£
Amounts contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	44,940	37,390
24 Related party transactions		
There were no disclosable related party transactions during the year (2023 - none).		
25 Cash generated from operations	2024	2023
	£	£
Surplus for the year	738,431	720,480
Adjustments for:		
Investment income recognised in statement of financial activities	(76,882)	(14,905)
Depreciation and impairment of tangible fixed assets	200,208	196,163
Movements in working capital:		
Decrease in stocks	1,838	179
(Increase)/decrease in debtors	(44,783)	60,328
Increase/(decrease) in creditors	1,423	(12,473)
(Decrease)/increase in deferred income	(4,476)	10,171
Cash generated from operations	815,759	959,943
26 Analysis of changes in net funds		
The society had no material debt during the year.		

VRANCH HOUSE LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2024

VRANCH HOUSE LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

	£	2024 £	£	2023 £
INCOME				
Donations and legacies				
Membership		65		45
Donations and grants		73,848		41,142
Legacies		31,138		-
Other trading activities				
Fundraising events		5,977		7,465
Rents received		20,893		15,302
Courses		578		2,500
Investment income				
Bank interest		76,882		14,905
Charitable activities				
Vranch House School		2,054,345		1,904,820
Vranch House Centre		1,195,191		1,114,220
Assessment Centre		165,084		160,432
Optech		-		6,817
Other Charitable activities		14,754		28,650
Total incoming resources		3,638,755		3,296,298
EXPENDITURE				
Raising donations and legacies				
Wages	-		7,652	
Fundraising	3,524		2,502	
Charitable activities				
Charitable activities wages, Ers NIC and Pension	2,330,811		2,063,059	
School direct costs	244,834		203,703	
Health direct costs	167,926		140,135	
Assessment centre direct costs	33,620		22,040	
Optech direct costs	9,926		8,431	
Meals direct costs	18,035		16,470	
	2,808,676		2,463,992	

VRANCH HOUSE LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2024

(Continued)

Other expenditure to support the charity

Support and admin wages costs	32,218	56,192
Staff recruitment and other costs	11,031	1,928
Staff training costs	20,917	13,187
Legal and professional charges	7,058	25,659
Audit and accountancy fees	17,160	12,648
Office and other costs	2,558	1,612
Bank charges	706	600

Total resources expended	<u>2,900,324</u>	<u>2,575,818</u>
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Net surplus income	<u>738,431</u>	<u>720,480</u>
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Vbranch House Limited

England & Wales - Charity number 1002700

Accounts

Charity registration number 1002700

Company registration number 02599511 (England and Wales)

VRANCH HOUSE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

VRANCH HOUSE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs J Tolman-May Mr A J Griffin Mrs R Neary Miss P Hale Mrs R Pavitt Dr R Tomlinson Mrs S Tutinas
Secretary	Mrs K Moss
Charity number	1002700
Company number	02599511
Registered office	Vranch House Pinhoe Road Exeter Devon EX4 8AD
Auditor	Simpkins Edwards Audit LLP The Summit Woodwater Park Pynes Hill Exeter EX2 5WS
Bankers	Natwest Exeter Branch 59 High Street Exeter Devon EX4 3DL
Solicitors	Foot Anstey Solicitors Senate Court Southernhay Gardens Exeter EX1 1NT

VRANCH HOUSE LIMITED

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VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the society's governing document, the Companies Act 2006 and "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).

Objectives and activities

Objectives and Aims

The charity's objects and principal activities continue to be those of:

1. Promoting and providing facilities for the care, education, training, treatment and welfare in their respective aspects of people with physical difficulties.
2. Advising, helping or catering for the needs of the parents or others having the care of people with physical difficulties.

The core activities arising from these aims are the education of children with physical difficulties from the age of 2 to 19 at Vbranch House School and the provision of paediatric therapies and clinical treatment to children as outpatients at locations throughout Devon. The charity has also developed Opportunity Technology, a not-for-profit service which designs, installs and maintains assisted mobility tracks and robotic vehicles throughout England and Wales.

Achievement and performance

In order to direct the activities of the charity in such a way that Public Benefit can be identified clearly, the Trustees have set out the following Aims and Strategies:

School Aim: The school is to be organised, equipped, staffed, managed and operated to the highest national standards.

- Strategy to Achieve Aim: The Governors will monitor the established Continuous Improvement Programme and the School Audit Cycle with the intention of maintaining the high OFSTED gradings of "outstanding" or "good" achieved in 1996, 2001, 2005, 2009, 2012, 2015, 2018 and 2021. We have also had additional inspections due to inclusion in a EIF Pilot and a material change inspection with excellent results.

Clinic Aim: The charity's clinical activities are to be organised, equipped, staffed, managed and operated to the highest national standards.

- Strategy to Achieve Aim: The Trustees will monitor clinical operations with the intention of maintaining a prompt, and efficient service with excellent standards of care. In order to do this, the Trustees will use tools such as reports and standards set by the National Service Framework, and quality audits conducted in alliance with our statutory partners.

Financial Performance Aim: The charity's financial affairs are to be conducted to the highest levels of public probity and according to the policies and procedures established for service and capital development consistent with the need to demonstrate Public Benefit

- Strategy to Achieve Aim: The Trustees will consider financial Performance Indicators, other financial records and Risk Assessments at all their meetings, to ensure that all our financial processes meet the requirements of both the Statements of Recommended Practice of the Charity Commission and Companies House. The Trustees will look at the record of expenditure to ensure that public monies are used exclusively for the Public Benefit.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the society should undertake.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Public Benefit

The Trustees are pleased to note that the record of operations for the year under review complied with the aims and strategies set out by the Board and have exceeded expectations. The number of school pupils has continued to grow and we ended the year at slightly over full capacity with 59 pupils. We grew the school staffing team to ensure the high standard of care for all pupils, and we increased the equipment to ensure all children's therapeutic and health needs are being met.

The school pupil numbers quickly increased to our full capacity, and we have been lucky to be able to recruit new staff to the team to make this growth possible without diluting our high standard of care in the delivery of healthcare and education, and we have continued to meet the pupils' Education and Health Care Plan requirements.

We continued to upgrade facilities via the addition of a ramp to improve the emergency exit provision in the Honeylands building, and we retiled the roof on the Honeylands building. In this financial year we further invested in the professional development of our staffing body, with staff accessing courses such as the HLTA (Higher Level Teaching Assistant) course, a dysphagia qualification for a member of our clinical staff, and a 'Train the Trainer' course for Rebound Therapy.

Engagement with the range of outpatient services across the whole of the service area continued to be positive. Hippotherapy is now well established as a treatment techniques alongside hydrotherapy and individualised exercise programmes. We maintained a high level of support to main-stream schools through direct clinical interventions and training programmes such as the Fun Fit and High Five training programmes, which train school staff to recognise and use intervention techniques for gross and fine motor developmental coordination disorder. The Fun Fit and High Five programmes also contribute to the charity's income.

Mean waiting times for the year across all our therapy services was 18.7 weeks against a national target of 18 weeks. This is an increase on our usually low waiting times. The longer mean waiting time was primarily due to increase in referrals caused by the impact of the Covid-19 pandemic on the development of children and young people, and their access to other services being restricted.

The therapy service has maintained its high quality. We have an excellent record of high satisfaction of patients accessing our services and this is supported by the policy to allow and encourage families to speak directly to the Chief Executive, Head of Therapies and Head of Education if they wish. The thorough training of staff in how to interact with and support patients and their families also aids patient satisfaction and engagement with the service. During this year we have had no formal complaints. Our friends and families test results show that 75.1% of patients who completed the survey are 'Extremely Likely' to recommend our survey and 21.8% 'Likely'.

The Charity continued to work hard to strengthen links with the local community, and to use social media and community events such as fêtes to further promote the good work of the Charity within the community.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

Financial position

The statement of Financial Activities shows total income for the year ending 31 March 2023 of £3,296,298 (2022: £2,987,175), an increase of £309,123 (2022: £444,693) partially due to increased number of school pupils and securing an increase in NHS contract inflation for the cost of clinical services. The Society's net current assets stand at £3,692,592 (2022: £2,915,491); this increase of £777,101 (2022: £811,091) is the result of the corresponding increase in income in relation to expenditure. The Society has net assets amounting to £8,704,497 (2022: £7,984,017) - an increase mainly generated by higher capital spend and a decrease in spend on large projects.

The net income and net movement in funds for the year is £720,480 (2022: £697,970). Adding back depreciation of £196,163 (2022: £188,659) (a non-momentary expense) and the movement in working capital to this net income, the Society made a cash surplus in the year of £959,943 (2022: £850,877). This is an increase from 2022 due to the increase in contracts without a big capital spend.

The total income from charitable activities of £3,214,939 (2022: £2,890,481) includes the contract income from the contracts for clinical and educational services. The total income from donations and all other sources is £41,187 (2022: £78,473).

Reserves & Going Concern

The Trustees have established a liquid reserves practice so that it is consonant with the revenue interests of a service charity. The forecast level of funding is such that an operating surplus is expected for the current year and the maintained reserve is such to provide a cushion in the event that either of the largest sources of income is threatened.

The Trustees are unanimous in the opinion that the Charity remains a going concern.

Investment policy

The Memorandum and Articles provide the Trustees with the power to make investments as they choose but consonant with current Charity Commission advice. The charity's cash assets are invested in a Business Reserve account but we would consider utilising opportunities for low-risk investment if interest rates improve.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Income & Service Risks

Notwithstanding the strategies for maintaining Public Benefit (q.v. Public Benefit Aims & Strategies above) the Trustees, having reviewed the strategic objectives of the charity in the light of possible obstructions to achieving them, have determined that;

1. Income Growth: We have defined a Core Offer for the school which reflects the Special Education Needs and Disabilities (SEND) process, allows for use of the Devon Framework and enables Educational, Health and Care Plans (EHCPs). This has facilitated an adjustment of the education component of the Agreement to meet the needs of the children in the school but we have had no uplift in education placement costs this year. We are still working hard with the NHS to adjust the balance with the health contract monies; in this financial year we had an increase of 4.3% on the contract value.

2. Income Security: The separate contracts are non-competitive because of the high amount of public benefit developed by it (now over 60% of the true costs of the statutory services provided by the charity is funded by the charity). The contract has a 25-year life (until 2036). The charity contribution includes the capital charges and revenue it waives, principally for the use of capital facilities which the charity owns, and the running costs of these facilities, but strong negotiations with the NHS will have to continue with significant running costs occurring in this financial climate.

3. Quality Standards: the Chief Executive is tasked with maintaining a continuous cycle of Risk Assessment reviews assisted and advised by the Heads of Department in the Senior Management Team (the Head of Therapies and the Head of Education). Principal amongst these are those relating to Safeguarding, Health & Safety and Financial Probity. The on-going review and development of these risk assessments and the policies and procedures that flow from them is of the highest priority as essential elements of the charity's strategic interest.

Plans for future periods

The new Service Led Agreement with Devon County Council and ICB health board (formally known as the CCG) has operated since the 1st of April 2011. The Agreement set a target for charitable investments in these statutory services of no more than 30% of the total cost. For the first time in 13 years we had a contract increase in 2021 from the CCG of 4.3%, but due to considerable inflation in both the numbers and complexity of referrals made to the charity our contribution is now more than 60%. The core education offer provides significant value for money for the local authority, and it will make the future of the school sustainable at the increased level of service provision required by the cohort of children educated in the school.

With developments to the Vbranch House buildings we have increased capacity for pupil numbers up to 55, which is the maximum number that we currently have DCC/DFE/Ofsted approval for, We are able with agreement from DCC to go over this number by 10% if DCC have need for the places. We currently we have 59 pupils on role. We are still working with our partners to look at opportunities to possibly investigate expanding this provision from ages 19 to 25 in line with the Education Health Care Plan process, or to meet the increasing demand on special school placements.

The charity continues to establish benchmarks in clinical and educational practice in order to accomplish its goal of not just meeting but exceeding service delivery standards. Preparations for the new OFSTED regime were implemented, and the continuous professional development of our clinical services is ongoing. With new online training courses being available (started during the Covid-19 restrictions), Vbranch House has been able to provide more professional development for staff which may not have previously been available to them, including specialist training courses for clinical staff that have taken place abroad.

The Trustees have established a conservative policy for future capital spend, and for the revenue development of all the charity services. Whilst our statutory partners are actively engaged in establishing new ways of delivering services, in which this charity will play a significant part, there will be a continuation of the need for retrenchment and for adopting new methods of working in order to sustain current activity levels at less cost.

Whilst the Charity aims to keep a reserve in place to maintain a year's full running costs (an amount that increases each year, and includes all staff and facilities costs), in each and every financial year, we review our financial policies and business planning.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Governing document

The organisation is a company limited by guarantee (registered number 02599511), incorporated on 9 April 1991, and an independent charity registered with the Charity Commission on 15 May 1991 (registered number 1002700). It is governed by its Memorandum and Articles of Association and the Instrument of Management. Any person over the ages of 18 can become a member of the charity on payment of an annual fee of £2 (for those not in work) or £5 (for those in employment). There are currently 49 (2022: 44) members, each of whom are liable to the extent of their membership fee in the event of the company being wound up. All the members have the right to vote at General Meetings.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs J Tolman-May

Mr A J Griffin

Mrs R Neary

Miss P Hale

Mrs R Pavitt

Miss S Williams

(Resigned 9 April 2023)

Dr R Tomlinson

Mrs S Tutinas

Appointment of trustees

The number of trustees can be set at any General Meeting but has rarely varied from a mean of 12 between the minimum of 8 and maximum of 16 stated in the Governing Document. The membership are free to nominate trustees and these nominations are ratified at the Annual General Meeting. The senior officers (Chairman and Vice Chairman) are elected every year and the Chief Executive acts as Company Secretary. Employees of the charity may be members of the charity and three senior employees are ex officio members of the Board of Trustees but no employee is entitled to vote at any meeting of the Trustees. The Executive Committee of the charity is known as the Board of the Society and the Board may co-opt any member of the charity to fill a specialist role.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Board of the Society

Mrs J Tolman-May - Chairman
Mrs R Neary - Vice Chairman
Mr A J Griffin
Miss P Hale
Mrs R Pavitt
Dr R Tomlinson
Miss S Williams
Mrs S Tutinas
Mrs K Moss (ex-officio as Chief Executive with no vote)
Mr I Norton (ex-officio as Head of Education)
Ms R Wheeler (ex officio as Business Manager)

Company Secretary & Chief Executive

Mrs K Moss

Board of Governors

Mrs J Tolman-May - Chairman
Mrs R Neary - Vice Chairman
Mrs K Moss - Secretary
Mr I Norton - Head of Education
Mrs V Lye - Staff Member
Mrs S Tutinas - Parent Governor
Mr A J Griffin - Parent Governor
Mrs N Kelly - Parent Governor
Mr H Gray - Parent Governor

Management Committee

Mrs J Tolman-May - Chairman
Mrs K Moss
Mr I Norton
Ms R S Wheeler

Organisation

The Board of the Society has a strategic oversight of the charity and meets at least four times a year. The Board employs a Chief Executive to work with a Head of Therapies and a Head of Education to oversee, direct and drive forward the Board's policies for the Clinic and the School (the principal operations of the charity). The Chief Executive has delegated powers for the day-to-day operation of the Board's policies for employment, finance, contracts, legal compliance (including Equal Opportunities), buildings and acquisitions, risk assessment and mitigation, Health and Safety and business development. To assist the Head of Education and meet statutory obligations for maintained schools, the Board has established a Board of Governors for the school.

The Board of Governors has direct control of those matters bearing on the delivery of the educational service. Educational issues that are not within the scope of the Governors, are referred to the Board of Trustees. The Head of Therapies is responsible to the Trustees for the full delivery of the clinical contract which includes professional and service delivery standards. At the end of this financial year a new Head of Therapies was appointed, as this was a position temporarily being jointly held by the current Chief Executive, which has been identified as not sustainable with the current size of the Charity. We also have a Business Manager in post to strengthen the Charity's management team.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Induction and training of new trustees

This year we are mirroring our new induction process for Governors with a new package for Trustees, including a full briefing on their obligations under charity and company law, the structure of the charity and its operational procedures as set out in the Memorandum and Articles of Association and of those changes in statute which bear directly on the work of the charity (principally legislation in the areas of Education and Health). A briefing document has been prepared ready to work alongside a more formal induction and training process. Trustees are usually appointed because of specialist skills but the charity will meet any identified need for specialist training. Recruitment for new trustees has been agreed by the current board and skill set gaps have been identified and will be a specifically recruited for.

Remuneration policy

The Trustees serve as volunteers and eschew reward and expenses.

The practice established by the Trustees for setting and reviewing the pay for all employed staff is:

1. As the charity exists to provide services and these services are delivered by trained personnel, expenditure on pay is the largest part of all revenue spending. The rates and costs of staff expenditure are thus reviewed and approved by the Trustees at all their meetings.
2. Pay rates for all staff are set on the principal that the rates must be competitive within the local charitable and statutory sectors so that the charity can continue to recruit high quality staff.
3. As the charity employs and relies on the services provided by a number of personnel without professional qualifications, pay at a lower level must exceed nation benchmarks . The charity pays in excess of the national living wage to all staff.
4. The multiple between the lowest and the highest paid should not exceed a factor of five.
5. All staff must have access to appropriate pension schemes.
6. The Chief Executive is responsible for providing the Management Committee and the Board of Trustees with information on the annual pay and emoluments budget.

Risk management

As a normal part of the annual business cycle the Society reviews its Risk Assessments. These include financial management, accounting, security of cash and removable assets, insurances, fire and Health & Safety. The outcome of these assessments is reported to the Trustees by the Chief Executive. The safeguarding, Health and Safety, Legionella and Fire Risk Assessments are translated into operating policies which are available to all employees. Employees at every level are encouraged to contribute to the continuous business of risk assessment through the Staff Meetings held every month.

Public Benefit - General Statement

The Trustees have established a practice continuously of reviewing all of the charity's activities and the development of services to ensure that they remain consonant with the requirements of the 2006 Charities Act, and particularly with Section 4 of the Act; the need to demonstrate Public Benefit. The charity operates in partnership with statutory bodies to provide expertise, treatment and enhanced services to children with physical disabilities. referrals to the service are made by Local Authorities, medical professionals and parents; all service-appropriate referrals are seen for assessment and many children then access therapeutic interventions or are given a place in the school as a pupil.

The referral process, whether as a therapy outpatient or potential school pupil, is controlled by the charity. A school placement or therapy intervention might be deemed inappropriate at the assessment stage but only for reasons that are cogent, demonstrable and compliant with benchmarked national practice. The charity is as public a body as its statutory partners, and enters into no private arrangements for individual treatment. No member of the public is denied the services provided by the charity provided those services are assessed to be suitable and appropriate for the individual concerned, and the parents or guardians interact with the Charity appropriately.

VRANCH HOUSE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Related parties

The Society has formal and informal relationships with many other statutory and voluntary bodies. Principal amongst these is the 25-year Strategic Partnership Agreement with NHS Devon and Devon County Council under which the charity is joint funded for a proportion of the costs of the statutory educational and clinical services it provides. Services provided by the NHS CCG include the delivery of clinical therapies at Vbranch House site.

The network of national and local charities and voluntary bodies is too complex and numerous to describe fully but the Society retains active links with The Exeter Foundation, Dream-Away, Whizz Kids, CEDA and several County and national grant-making trusts. A similar network of local groups and individuals continue to assist the Society in raising funds for children at Vbranch House, and this incredibly generous and loyal support provides a much-needed and indispensable resource. The charity has also forged close links with the NHS funded Children's Specialist Children's Assessment Centre which it hosts in a purpose-built facility on the Vbranch House site.

Auditor

In accordance with the company's articles, a resolution proposing that Simpkins Edwards Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

Mrs J Tolman-May
Trustee

15 December 2023

VRANCH HOUSE LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of Vbranch House Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the society and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 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 society will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the society 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 society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VRANCH HOUSE LIMITED

Opinion

We have audited the financial statements of Vbranch House Limited (the 'society') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 March 2023 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 society 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VRANCH HOUSE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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
- 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 trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the society for the purpose 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. In preparing the financial statements, the trustees are responsible for assessing the society'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with the chief executive and other management, and from our knowledge and experience of the charity, education and health sectors;
- we focused on specific laws and regulations which we considered may have a direct, material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, data protection, anti-bribery, employment, child protection, safety and health guidance and regulatory rules surrounding supporting, caring for and educating children and the safe operation of the centre, the pool and the site grounds and buildings;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries with management, reviewing correspondence with industry regulators, and inspecting legal correspondence; and
- documented our findings on our audit file and considered the implications for our audit report.

VRANCH HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF VRANCH HOUSE LIMITED**

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud or error might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud, or error or mistake, and
- considering the internal controls in place to mitigate risks of fraud, error or mistake.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiry of management as to actual and potential litigation and claims and related notifications; and
- reviewing correspondence with HMRC, relevant regulators and legal advisors.

There are inherent limitations in our audit procedures described above. For example, non-compliance with non-financial laws and regulations are likely to be harder for us to identify or to quantify.

Material misstatements that arise due to fraud are often harder to detect than those that arise from error or mistake, as the transactions carried out to commit such offences often involve the deliberate concealment or removal of charity assets or collusion from those charged with governance and/or employees in such acts.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Coombs MA FCA (Senior Statutory Auditor)
for and on behalf of Simpkins Edwards Audit LLP

15 December 2023

Chartered Accountants
Statutory Auditor

The Summit
Woodwater Park
Pynes Hill
Exeter
EX2 5WS

VRANCH HOUSE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
<u>Income and endowments from:</u>							
Donations and legacies	3	22,487	18,700	41,187	13,316	65,157	78,473
Charitable activities - income	4	3,214,939	-	3,214,939	2,882,016	8,465	2,890,481
Other trading activities	5	22,767	-	22,767	14,308	-	14,308
Investments	6	14,905	-	14,905	258	-	258
Courses	7	2,500	-	2,500	3,655	-	3,655
Total income		3,277,598	18,700	3,296,298	2,913,553	73,622	2,987,175
<u>Expenditure on:</u>							
Raising funds	8	10,154	-	10,154	27,194	-	27,194
Charitable activities - expenditure	9	2,405,558	48,280	2,453,838	2,180,481	63,575	2,244,056
Other expenditure incurred		109,614	-	109,614	-	-	-
Bank charges and society expenses	13	2,212	-	2,212	17,955	-	17,955
Total expenditure		2,527,538	48,280	2,575,818	2,225,630	63,575	2,289,205
Net income/(expenditure) for the year/							
Net movement in funds		750,060	(29,580)	720,480	687,923	10,047	697,970
Fund balances at 1 April 2022		6,921,250	1,062,767	7,984,017	6,233,327	1,052,720	7,286,047
Fund balances at 31 March 2023		7,671,310	1,033,187	8,704,497	6,921,250	1,062,767	7,984,017

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 16 to 34 form part of these financial statements.

VRANCH HOUSE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	15		5,011,905		5,068,526
Current assets					
Stocks	16	3,927		4,106	
Debtors	17	53,297		113,625	
Cash at bank and in hand		3,725,887		2,891,465	
		<u>3,783,111</u>		<u>3,009,196</u>	
Creditors: amounts falling due within one year	19	<u>(90,519)</u>		<u>(93,705)</u>	
Net current assets			3,692,592		2,915,491
Total assets less current liabilities			<u>8,704,497</u>		<u>7,984,017</u>
Income funds					
Restricted funds	21	1,033,187		1,062,767	
Unrestricted funds		7,671,310		6,921,250	
		<u>8,704,497</u>		<u>7,984,017</u>	

The notes on pages 16 to 34 form part of these financial statements.

The financial statements were approved by the Trustees on 23 November 2023

Mrs J Tolman-May
Trustee

Company registration number 02599511

VRANCH HOUSE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	25		959,943		850,877
Investing activities					
Purchase of tangible fixed assets		(139,541)		(75,854)	
Investment income received		14,905		258	
Net cash used in investing activities			(124,636)		(75,596)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			835,307		775,281
Cash and cash equivalents at beginning of year			2,890,580		2,115,299
Cash and cash equivalents at end of year			3,725,887		2,890,580
Relating to:					
Cash at bank and in hand			3,725,887		2,891,465
Bank overdrafts included in creditors payable within one year			-		(885)

The notes on pages 16 to 34 form part of these financial statements.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Vranch House Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Vranch House, Pinhoe Road, Exeter, Devon, EX4 8AD. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the society's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The society is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the society. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity continues to rely on the Service Led Agreement with Devon County Council and the new CCG, as set out in the Trustees' Report. Based on information received to date, the Trustees have no reason to believe this support will not continue. These accounts have therefore been prepared on a going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives. Unrestricted funds include a revaluation reserve representing the re-statement of the property at market value.

Restricted funds are subject to specific conditions and can only be used for particular restricted purposes. Restrictions arise when specified by donors or when funds are raised for a specific purpose or project. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the society is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received. All income is then included in the Statement of Financial Activities.

Cash donations are recognised on receipt. Other donations are recognised once the society has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the society has been notified of an impending distribution, for example by grant of probate, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants receivable, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds. This means; any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Membership subscriptions of £2 or £5 per annum are receivable from members. Should a member not pay their subscriptions, when due, they will be removed from the society.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Investment income is included when receivable.

The value of services provided by volunteers has not been included in these accounts. Further details of the contribution made by volunteers can be found in the Trustees Report.

Donated services and goods

Donated professional services and goods are recognised as income when the charity has control over the item, any conditions associated with the donated items have been met, the receipt of economic can be measured reliably. On receipt, donated professional services and donated goods are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or goods of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent on charitable or other activities, depreciation charges are allocated on the portion of the asset's use. Establishment and motor costs are allocated based on usage of buildings /floor space and vehicles utilised.

All expenditure is accounted for on an accruals basis, inclusive of Value Added Tax, which cannot be recovered.

Costs of raising funds are primarily incurred in attracting donations, gifts and grants and also the costs associated with other trading activities such as the annual summer fair.

The charity does not make any charge for capital costs to any of its principal customers.

Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity. They include the audit, accounts and legal fees of the society together with staff training and recruitment charges linked to the strategic management of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
Leasehold improvements	5% on cost or over 5 years
Plant and equipment	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The costs of minor additions or items costing less than £300 (2022; £100) are not capitalised.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.7 Impairment of fixed assets

At each reporting end date, the society reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. A first in, first out method of allocation is applied. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The society has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the society's balance sheet when the society becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the society's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The company is a registered charity and is exempt from taxation as long as it remains within the terms laid down by the Charity Commission.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the society is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The Charity has arranged two defined contribution pension schemes for those members who are not eligible to join the Teachers' Pension Scheme. The assets of these schemes are held separately from those of the Charity.

The Charity has another defined contribution pension scheme, which was set up to comply with the government legislation for compulsory pensions in the work place.

All three of these defined pension schemes are operated by insurance companies, the employees contract directly with the insurance company. The Charity acts as agent in collecting and paying over pension contributions. There will be no liability to the Charity.

Teaching staff employed by the charity are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory contributory, unfunded defined benefit scheme administered by the Teachers' Pension Agency, and executive agency of the Department for Education and Employment. Pension costs are accessed in accordance with the advice of the Government Actuary. The scheme is guaranteed by the government and therefore there will be no liability to the Charity.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Charity in the year for the defined benefit scheme and the three defined contribution pension schemes. All four schemes are funded by contributions from employee and employer.

2 Critical accounting estimates and judgements

In the application of the society's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies	Unrestricted funds		Restricted funds		Total		Unrestricted funds		Restricted funds		Total	
	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	2022	2022
	£	£	£	£	£	£	£	£	£	£	£	£
Donations and gifts	22,442	18,700	41,142	13,211	78,368							
Legacies receivable	-	-	-	7	7							
Membership fees	45	-	45	98	98							
	22,487	18,700	41,187	13,316	78,473							

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities - income	School contracts 2023 £	Health contract 2023 £	Assessment centre 2023 £	Optech 2023 £	Other charitable acts 2023 £	Other school acts 2023 £	Total 2023 £	Total 2022 £
Services provided under contract	1,904,820	1,114,220	160,432	6,817	-	-	3,186,289	2,799,962
Other income	-	-	-	-	13,538	15,112	28,650	90,519
	1,904,820	1,114,220	160,432	6,817	13,538	15,112	3,214,939	2,890,481
Analysis by fund								
Unrestricted funds	1,904,820	1,114,220	160,432	6,817	13,538	15,112	3,214,939	2,882,016
Restricted funds	-	-	-	-	-	-	-	8,465

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities - income		(Continued)						
For the year ended 31 March 2022		School contracts	Health contract	Assessment centre	Optech	Other charitable acts	Other school acts	Total 2022
		£	£	£	£	£	£	£
Services provided under contract		1,520,383	1,120,074	157,750	1,755	-	-	2,799,962
	Other income	-	-	-	-	23,177	67,342	90,519
		1,520,383	1,120,074	157,750	1,755	23,177	67,342	2,890,481
Analysis by fund								
Unrestricted funds		1,520,383	1,120,074	157,750	1,755	23,177	58,877	2,882,016
Restricted funds		-	-	-	-	-	8,465	8,465
		1,520,383	1,120,074	157,750	1,755	23,177	67,342	2,890,481

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Fundraising events	7,465	7,111
Letting and licensing arrangements	15,302	7,197
Other trading activities	22,767	14,308

6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	14,905	258

7 Courses

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Courses	2,500	3,655

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Fundraising and publicity		
Society administration	-	1,743
Other fundraising costs	2,502	2,377
Staff costs	7,652	21,265
Support costs	-	1,809
Fundraising and publicity	10,154	27,194
	10,154	27,194

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Charitable activities - expenditure

	School contracts	Health Assessment contract	Optech	Other charitable acts	Total	Total
	2023	2023	2023	2023	2023	2022
	£	£	£	£	£	£
Staff costs	1,231,592	795,665	8,013	-	2,063,059	-
Direct costs	203,703	140,135	8,431	16,470	390,779	2,244,056
	1,435,295	935,800	16,444	16,470	2,453,838	2,244,056
	1,435,295	935,800	16,444	16,470	2,453,838	2,244,056
	1,406,327	916,488	16,444	16,470	2,405,558	2,180,481
	28,968	19,312	-	-	48,280	63,575
	1,435,295	935,800	16,444	16,470	2,453,838	2,244,056
	1,435,295	935,800	16,444	16,470	2,453,838	2,244,056

Analysis by fund

Unrestricted funds
Restricted funds

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Charitable activities - expenditure		(Continued)						
For the year ended 31 March 2022								
		School contracts £	Health Assessment contract £	Assessment centre £	Optech £	Other charitable acts £	Other school acts £	Total 2022 £
Direct costs		1,142,364	917,827	81,375	23,557	70,468	8,465	2,244,056
Analysis by fund								
Unrestricted funds		1,104,496	904,735	81,375	23,557	66,318	-	2,180,481
Restricted funds		37,868	13,092	-	-	4,150	8,465	63,575
		1,142,364	917,827	81,375	23,557	70,468	8,465	2,244,056

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Support costs

	Support costs £	Governance costs £	2023 £
Support and admin staff costs	56,192	-	56,192
Staff recruitment fees and other costs	1,928	-	1,928
Staff training and course costs	13,187	-	13,187
Audit fees	-	8,790	8,790
Accountancy	-	3,858	3,858
Legal and professional	-	25,659	25,659
	<u>71,307</u>	<u>38,307</u>	<u>109,614</u>
Analysed between			
Other expenditure incurred	<u>71,307</u>	<u>38,307</u>	<u>109,614</u>

Governance costs includes payments to the auditors of £8,790 (2022- £6,250) for audit fees.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or other benefits during the year nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

12 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Chief Executive	1	1
Vranch House school	59	53
Health contract	31	33
Administration and support	8	10
Total	<u>99</u>	<u>97</u>

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Employees (Continued)

Employment costs	2023 £	2022 £
Wages and salaries	1,844,445	1,643,023
Social security costs	145,160	121,429
Other pension costs	137,298	113,976
	<u>2,126,903</u>	<u>1,878,428</u>

The charity considers its key management personnel comprise the Chief Executive, Head of Education, Head of Therapies, the Business Support Manager and the Finance Administrator.

The total employment costs (salary, employer's NIC and pension) for the key management personnel was £299,316 (2022: £254,627).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
Band between £60,000 and £70,000	2	-
Band between £80,001 and £90,000	-	1
Band between £90,001 and £100,000	1	-
	<u>3</u>	<u>1</u>

13 Bank charges and society expenses

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Financing costs	600	-
Other expenditure	1,612	17,955
	<u>2,212</u>	<u>17,955</u>

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Tangible fixed assets

	Freehold land and buildings	Leasehold improvements	Plant and Motor vehicles equipment		Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2022	5,426,183	604,186	844,775	81,134	6,956,278
Additions	-	74,748	59,793	5,000	139,541
At 31 March 2023	5,426,183	678,934	904,568	86,134	7,095,819
Depreciation and impairment					
At 1 April 2022	1,041,072	80,919	694,816	70,944	1,887,751
Depreciation charged in the year	111,718	39,947	41,950	2,548	196,163
At 31 March 2023	1,152,790	120,866	736,766	73,492	2,083,914
Carrying amount					
At 31 March 2023	4,273,393	558,068	167,802	12,642	5,011,905
At 31 March 2022	4,385,111	523,267	149,958	10,190	5,068,526

The cost of freehold property is £3,306,988 (2022: £3,306,988). The property was revalued in March 2012, the revaluation uplift was £2,119,195. The revaluation surplus is reflected in the unrestricted funds balance.

The trustees had the land and buildings valued by John Daborn FRICS, Drew Pearce, Exeter in March 2016. A valuation of £5,490,000 was made on a depreciated replacement cost basis assuming that all ongoing works had been completed. The valuation has not been reflected in the financial statements.

16 Stocks

	2023 £	2022 £
Finished goods and goods for resale	3,927	4,106

17 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	13,624	1,706
Other debtors	-	88,032
Prepayments and accrued income	39,673	23,887
	53,297	113,625

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Loans and overdrafts

	2023 £	2022 £
Bank overdrafts	-	885
Payable within one year	-	885

19 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank overdrafts	18	-	885
Other taxation and social security		31,494	29,117
Deferred income		10,171	-
Trade creditors		6,211	43,505
Other creditors		20,368	11,408
Accruals and deferred income		22,275	8,790
		90,519	93,705

20 Retirement benefit schemes

Defined contribution schemes

The society operates a defined contribution pension scheme for qualifying employees. The assets of the scheme are held separately from those of the society in an independently administered fund.

The employer's charge in respect of defined contribution schemes was £83,885 (2022: £69,313).

Defined benefit scheme

The employer's contributions made to the Teachers' Pension Scheme - which is a defined benefit scheme - in the year amounted to £53,414.05 (2022: £44,663).

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of reserves and monies held on trust for specific purposes:

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Movement in funds			Balance at 31 March 2023 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Fixed Asset Fund	1,044,311	-	(50,815)	28,088	1,021,584	-	(48,280)	10,689	983,993
Training Fund	145	4,150	(4,295)	-	-	-	-	-	-
Accessible Living Suite Fund	1,039	-	-	-	1,039	-	-	-	1,039
Outdoor Area Fund	1,122	146	-	-	1,268	13,012	-	-	14,280
Minibus Fund	6,103	27,084	-	-	33,187	5,688	-	(5,000)	33,875
Masonic Fund	-	33,777	-	(28,088)	5,689	-	-	(5,689)	-
DCC Fund	-	8,465	(8,465)	-	-	-	-	-	-
	1,052,720	73,622	(63,575)	-	1,062,767	18,700	(48,280)	-	1,033,187

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21	Restricted funds	(Continued)
Purposes of Restricted Funds		
Fixed asset fund		
This fund includes fixed assets (buildings, plant & equipment and motor vehicles) acquired for a specific restricted purpose or using a specific restricted funding stream, typically, gifts, grants and donations. The value of this fund is depreciated over time in accordance with the accounting policies in place and guidance received on useful economic lives.		
Training fund		
This fund represents donations received to cover the cost of training. The fund was utilised in 2022.		
Accessible living suite fund		
This fund represents a grant to adapt an existing teaching space to enable children and young people to exercise control over this environment using WiFi enabled devices. Not all of the fund was spent by the year end, the remaining balance will be spent in future.		
Outdoor area fund		
This fund represents donations received, over the past couple of years, towards the outdoor area project. The balance on the fund has been carried forward until the full amount for the project has been raised and work can commence.		
Minibus fund		
This fund represents donations received towards the purchase of a new WAV minibus. The balance on the fund was carried forward until the full cost of the minibus was raised. The new minibus arrived in July 2023 and will be reported in the next financial statements.		
Masonic fund		
This fund represents a donation to cover the cost of a riding simulator and the accessories to go along side it. The remaining balance on the fund from 2022 was carried forward to pay for further accessories and associated equipment purchased in 2023. The fund has now been fully utilised.		
DCC Fund		
This fund represented a grant given to update the existing carpet flooring to vinyl flooring. The fund was utilised in 2022.		

VRANCH HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	4,027,912	983,993	5,011,905	4,046,942	1,021,584	5,068,526
Current assets/(liabilities)	3,643,398	49,194	3,692,592	2,874,308	41,183	2,915,491
	<u>7,671,310</u>	<u>1,033,187</u>	<u>8,704,497</u>	<u>6,921,250</u>	<u>1,062,767</u>	<u>7,984,017</u>

Unrestricted funds

At year end, unrestricted funds total £7,671,310 (2022: £6,921,250) and include an unrestricted general fund surplus of £5,594,500 (2022: £4,802,055) and a revaluation reserve surplus of £2,076,810 (2022: £2,119,195).

23 Capital commitments

2023
£

2022
£

At 31 March 2023 the society had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	37,390	70,000
--	--------	--------

24 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

25 Cash generated from operations

2023
£

2022
£

Surplus for the year	720,480	697,970
Adjustments for:		
Investment income recognised in statement of financial activities	(14,905)	(258)
(Gain)/loss on disposal of tangible fixed assets	-	316
Depreciation and impairment of tangible fixed assets	196,163	188,659
Movements in working capital:		
Decrease in stocks	179	602
Decrease/(increase) in debtors	60,328	(73,389)
(Decrease)/increase in creditors	(12,473)	36,977
Increase in deferred income	10,171	-
Cash generated from operations	<u>959,943</u>	<u>850,877</u>

26 Analysis of changes in net funds

The society had no debt during the year.

VRANCH HOUSE LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

VRANCH HOUSE LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

	£	2023 £	£	2022 £
INCOME				
Donations and legacies				
Membership		45		98
Donations and grants		41,142		78,368
Legacies		-		7
Other trading activities				
Fundraising events		7,465		7,111
Rents received		15,302		7,197
Courses		2,500		3,655
Investment income				
Bank interest		14,905		258
Charitable activities				
Vranch House School		1,904,820		1,587,725
Vranch House Centre		1,114,220		1,120,074
Assessment Centre		160,432		157,750
Optech		6,817		1,755
Other Charitable activities		28,650		23,177
Total incoming resources		3,296,298		2,987,175
EXPENDITURE				
Raising donations and legacies				
Wages	7,652		21,265	
Society administration	-		1,743	
Office costs	-		1,809	
Fundraising	2,502		2,377	
Charitable activities				
Charitable activities wages, Ers NIC and Pension	2,063,059		1,849,891	
School direct costs	203,703		229,793	
Health direct costs	140,135		152,302	
Assessment centre direct costs	22,040		-	
Optech direct costs	8,431		578	
Meals direct costs	16,470		11,176	
Loss on sale of tangible fixed assets	-		316	
	2,463,992		2,271,250	

VRANCH HOUSE LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

(Continued)

Other expenditure to support the charity

Support and admin wages costs	56,192	7,272
Staff recruitment and other costs	1,928	-
Staff training costs	13,187	-
Legal and professional charges	25,659	10,540
Audit and accountancy fees	12,648	-
Society admin	-	13
Office and other costs	1,612	130
Bank charges	600	-
Total resources expended	2,575,818	2,289,205
Net surplus income	720,480	697,970

Vbranch House Limited

England & Wales - Charity number 1002700

Accounts

REGISTERED COMPANY NUMBER: 02599511 (England and Wales)
REGISTERED CHARITY NUMBER: 1002700

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2022
for
Vranch House Limited

Kirk Hills
Chartered Accountants and Statutory Auditors
5 Barnfield Crescent
Exeter
Devon
EX1 1QT

Vranch House Limited

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for the Year Ended 31 March 2022

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Vranch House Limited
Report of the Trustees
for the Year Ended 31 March 2022

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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).

The Board of the Society presents its report and audited financial statements for the year ended 31 March 2022.

Reference and Administrative Information

Registered Charity Name: Vranch House Limited
(Working Title): Vranch House

Charity Registration Number: 1002700
Company Registration Number: 02599511

Registered Office and
Operational Address:

Vranch House School & Centre
Pinhoe Road
EXETER
DEVON
EX4 8AD

Auditors - Kirk Hills, 5 Barnfield Crescent, Exeter, Devon, EX1 1QT

Bankers - NatWest, St Thomas Branch, Exeter, Devon, EX4 1DB

Solicitors - Foot Anstey, Senate Court, Exeter, EX1 1NT

Board of the Society

Mrs J Tolman-May Chairman
Mrs R Neary Vice Chairman
Mr A J Griffin
Miss P Hale
Mrs R Pavitt
Dr R Tomlinson
Miss S Williams
Mrs S Tutinas
Mrs K Moss (ex officio as Head of Therapies with no vote)
Mr I Norton (ex officio as Head of Education with no vote)
Ms R Wheeler (ex officio as Business Manager with no vote)

Company Secretary & Chief Executive

Mrs K Moss

Board of Governors

Mrs J Tolman-May	Chairman
Mrs R Neary	Vice Chairman
Mrs K Moss	Secretary
Mr I Norton	Head of Education
Mrs K Moss	Head of Therapies
Mrs V Lye	Staff member
Miss S Tutinas	Parent Governor
Mr A J Griffin	Parent Governor
Mrs N Kelly	Parent Governor
Mr H Gray	Parent Governor

Vranch House Limited

Report of the Trustees
for the Year Ended 31 March 2022

Management Committee

Mrs J Tolman-May Chairman
Mrs K Moss
Mr I Norton
Ms R S Wheeler

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects and principal activities continue to be those of:

- i Promoting and providing facilities for the care, education, training, treatment and welfare in their respective aspects of people with physical difficulties.
- ii Advising, helping or catering for the needs of the parents or others having the care of people with physical difficulties.

The core activities arising from these aims are the education of children with physical difficulties from the age of 2 to 19 at Vranch House School and the provision of paediatric therapies and clinical treatment to children as outpatients at locations throughout Devon. The charity has also developed Opportunity Technology, a not-for-profit service which designs, installs and maintains assisted mobility tracks and robotic vehicles throughout England and Wales.

Vranch House Limited

Report of the Trustees for the Year Ended 31 March 2022

STRATEGIC REPORT

Achievement and performance

In order to direct the activities of the charity in such a way that Public Benefit can be identified clearly, the Trustees have set out the following Aims and Strategies;

School Aim: The school is to be organised, equipped, staffed, managed and operated to the highest national standards.

- **Strategy to Achieve Aim:** The Governors will monitor the established Continuous Improvement Programme and the School Audit Cycle with the intention of maintaining the high OFSTED gradings of "outstanding" or "good" achieved in 1996, 2001, 2005, 2009, 2012, 2015 and 2018. We have also had additional inspections due to inclusion in a EIF Pilot and a material change inspection with excellent results

Clinic Aim: The charity's clinical activities are to be organised, equipped, staffed, managed and operated to the highest national standards.

- **Strategy to Achieve Aim:** The Trustees will monitor clinical operations with the intention of maintaining a prompt, and efficient service with excellent standards of care. In order to do this, the Trustees will use tools such as reports and standards set by the National Service Framework, and quality audits conducted in alliance with our statutory partners.

Financial Performance Aim: The charity's financial affairs are to be conducted to the highest levels of public probity and according to the policies and procedures established for service and capital development consistent with the need to demonstrate Public Benefit.

- **Strategy to Achieve Aim:** The Trustees will consider financial Performance Indicators, other financial records and Risk Assessments at all their meetings, to ensure that all our financial processes meet the requirements of both the Statements of Recommended Practice of the Charity Commission and Companies House. The Trustees will look at the record of expenditure to ensure that public monies are used exclusively for the Public Benefit.

Public Benefit - Achievements and Performance

The Trustees are pleased to note that the record of operations for the year under review complied with the aims and strategies set out by the Board and have exceeded expectations. The purchase of a mechanical horse, the updating of flooring in numerous classrooms and clinical spaces, and the renovation of the Honeylands play area have been the big projects outside of the normal maintenance. With an increasing number of students in the school investment in new equipment has been necessary, such as standing frames and IT devices.

The high quality of service delivery has been maintained despite significant increases in the number of out patient referrals, and in the number of school pupils placed in the school with complex needs. Life has moved on from the main wave of the pandemic last year with many procedures becoming normal routine. There was an average of 52 children on the school roll and just over 2,000 children on the clinical list during this financial year. Engagement with the range of outpatient services has continued to be positive, and we still maintain a high level of support to main stream schools through direct clinical interventions and training programmes such as the Fun Fit and High Five training programmes, which train school staff to recognise and use intervention techniques for gross and fine motor Developmental Coordination Disorder. The Fun Fit and High Five programmes also contribute to the charity's income.

The Trustees are pleased to report the effectiveness of the charity's ongoing and significant investment in Continuous Professional Development for its staff. All the therapists, teachers and support staff are engaged in, or have access to, programmes of learning ensuring a high quality service. This has been a benefit of the Covid pandemic as many more courses have moved to an online format, making them more accessible to staff. All of the staff with direct contact with children are trained to the very highest Safeguarding level available to them (Level Three), and our two Safeguarding Leads are trained to Level Six.

The school numbers continued to grow despite the pandemic, and we have been lucky to be able to recruit new staff to the team to make this growth possible without diluting our high standard of care in the delivery of healthcare and education according to the pupils Education and Health Care plans.

Mean waiting times for this year across all services was 15.7 weeks against a national target of 18 weeks. This is an increase on our usually low waiting times. The increase in mean wait is also due to increase in referrals due to the impact of the Covid-19 pandemic on children and young people's development, access to other services, and staffing levels due to track and trace and isolation requirements, sickness rate increase due to Covid, and difficulty in recruiting staff to the clinical side of the service (currently a common problem across the NHS).

Vranch House Limited
Report of the Trustees
for the Year Ended 31 March 2022

We have an excellent record of high satisfaction of patients accessing our services and this is supported by the policy to allow and encourage families to speak directly to the Chief Executive, Head of Therapies and Head of Education if they wish. The thorough training of staff in how to interact with and support patients and their families also aids patient satisfaction and engagement with the service. During this year we have had one formal complaint which was fully investigated and resolved to the satisfaction of the family involved.

Financial review

Financial position

The Statement of Financial Activities shows total income for the year ending the 31st of March 2022 of £2,987,175 (against £2,542,482 in 2021), an increase of £444,693 partially due to the increased number of school pupils and securing an increase in NHS contract inflation for the cost of clinical services. The Society's Net Current Assets stand at £2,915,491 (against £2,104,400 in 2021); this increase of £811,091 is the result of the corresponding increase in income in relation to expenditure. The Society has Net Assets amounting to £7,984,017 (£7,286,047 in 2021) - an increase mainly generated by higher capital spend and a decrease in spend on large projects.

The net income and net movement in funds for the year is £697,970 (£333,639 in 2021). Adding back depreciation of £188,659 (a non-monetary expense) and the movement in working capital to this net income, the Society made a cash surplus in the year of £850,877 (£526,653 in 2021). This is an increase from 2021 due to the increase in contracts without a big capital spend.

The total income from Charitable activities of £2,890,481 (£2,452,375 in 2021) includes the contract income from the contracts for clinical and educational services. Total income from donations and all other sources is £78,473, which is slightly higher than the previous year's total of £74,781 due to the fundraising efforts of the staff in this financial year, and is extremely remarkable in at the end of the pandemic. The capital and revenue costs not charged to our contract partners remain in excess of £700,000 which forms a substantial part of our charitable benefit. The strong financial performance of the charity is remarkable considering the significant impact of the pandemic on staffing and the strain on the clinical services.

Investment policy

The Memorandum and Articles provide the Trustees with the power to make investments as they choose but consonant with current Charity Commission advice. The charity's cash assets are invested in a Business Reserve account but we would consider utilising opportunities for low-risk investment if interest rates improve.

Reserves & Going Concern

The Trustees have established a liquid reserves practice so that it is consonant with the revenue interests of a service charity. The forecast level of funding is such that an operating surplus is expected for the current year and the maintained reserve is such to provide a cushion in the event that either of the largest sources of income is threatened. The Trustees are unanimous in the opinion that the Charity remains a going concern.

Pay and Emolument Policy for All Staff

The Trustees serve as volunteers and eschew reward and expenses.

The practice established by the Trustees for setting and reviewing the pay for all employed staff is;

1. As the charity exists to provide services and these services are delivered by trained personnel, expenditure on pay is the largest part of all revenue spending. The rates and costs of staff expenditure are thus reviewed and approved by the Trustees at all their meetings.
2. Pay rates for all staff are set on the principal that the rates must be competitive within the local charitable and statutory sectors so that the charity can continue to recruit high quality staff.
3. As the charity employs and relies on the services provided by a number of personnel without professional qualifications, pay at the lower level must exceed national benchmarks. The charity pays in excess of the national living wage to all staff.
4. The multiple between the lowest and the highest paid should not exceed a factor of five.
5. All staff must have access to appropriate pension schemes.
6. The Chief Executive is responsible for providing the Management Committee and the Board of Trustees with information on the annual pay and emoluments budget.

Vranch House Limited
Report of the Trustees
for the Year Ended 31 March 2022

STRATEGIC REPORT

Income & Service Risks

Notwithstanding the strategies for maintaining Public Benefit (q.v. Public Benefit Aims & Strategies above) the Trustees, having reviewed the strategic objectives of the charity in the light of possible obstructions to achieving them, have determined that;

1. **Income Growth:** We have defined a Core Offer for the school which reflects the Special Educational Needs and Disabilities (SEND) process, allows for use of the Devon Assessment Framework and enables Educational, Health and Care Plans (EHCPs). This has facilitated an adjustment of the education component of the Agreement to meet the needs of the children in the school. We are still working hard with the NHS to adjust the balance with the health contract monies; in this financial year we had a negligible increase of 4.3% on the contract value, the first increase in the last 13 years.

2. **Income Security:** The separate contracts are non-competitive because of the high amount of public benefit developed by it (now over 60% of the true costs of the statutory services provided by the charity is funded by the charity). The contract has a 25-year life (until 2036). The charity contribution includes the capital charges and revenue it waives, principally for the use of capital facilities which the charity owns, and the running costs of these facilities, but strong negotiations with the NHS will have to continue with significant increases in running costs occurring in this financial climate.

3. **Quality Standards:** the Chief Executive is tasked with maintaining a continuous cycle of Risk Assessment reviews assisted and advised by the Heads of Department in the Senior Management Team (the Head of Therapies and the Head of Education). Principal amongst these are those relating to Safeguarding, Health & Safety and Financial Probity. The on-going review and development of these risk assessments and the policies and procedures that flow from them is of the highest priority as essential elements of the charity's strategic interest.

Plans for Future Periods

The new Service Led Agreement with Devon County Council and NEW CCG has operated since the 1st of April 2011. The Agreement set a target for charitable investment in these statutory services of no more than 30% of the total cost. For the first time in 13 years we had a contract increase from the CCG of 4.3%, and despite considerable inflation in both the numbers and complexity of referrals made to the charity our contribution is now more than 60%. The core education offer offers significant value for money for the authority, and yet will make the future of the school sustainable at the increased level of service provision required by the cohort of children educated in the school.

With developments to the Vranch House buildings we have increased capacity for pupil numbers up to 55, which is the maximum number that we currently have DCC/DFE/Ofsted approval for. We are still working with our partners to look at opportunities to expand this provision from ages 19 to 25 in line with the Education health care process, or to meet the increasing demand on special school placements.

The charity continues to establish benchmarks in clinical and educational practice in order to meet its goal of not just meeting but exceeding service delivery standards. Preparations for the new OFSTED regime have been implemented, and the continuous professional development of our clinical services is ongoing. With new online training courses being available due to Covid-19 restrictions Vranch House has been able to provide more professional development for staff that may not have been previously available to them, including specialist training courses for clinical staff that have taken place abroad.

The Trustees have established a conservative policy for future capital spend, and for the revenue development of all the charity services. Whilst our statutory partners are actively engaged in establishing new ways of delivering services, in which this charity will play a significant part, there will be a continuation of the need for retrenchment and for adopting new methods of working in order to sustain current activity levels at less cost.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a Company Limited by Guarantee (Registered Number 2599511), incorporated on the 9th of April 1991, and an independent charity (Registered Number 1002700) registered with the Charity Commission on the 15th of May 1991. It is governed by its Memorandum and Articles of Association and the Instrument of Management. Any person over the age of 18 can become a member of the charity on payment of an annual fee of £2 (for those not in work) or £5 (for those in employment). There are currently 44 members each of whom are liable to the extent of their membership fee in the event of the company being wound up. All members have the right to vote at General Meetings.

Vranch House Limited
Report of the Trustees
for the Year Ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of trustees

The number of Trustees can be set at any General Meeting but has rarely varied from a mean of 12 between the minimum of 8 and maximum of 16 stated in the Governing Document. The membership are free to nominate trustees and these nominations are ratified at the Annual General Meeting. The senior officers (Chairman and Vice Chairman) are elected every year and the Chief Executive acts as Company Secretary. Employees of the charity may be members of the charity and three senior employees are ex officio members of the Board of Trustees but no employee is entitled to vote at any meeting of the Trustees. The Executive Committee of the charity is known as the Board of the Society and the Board may co-opt any member of the charity to fill a specialist role.

Organisation

The Board of the Society has strategic oversight of the charity and meets three times a year. The Board establishes all policy for the general direction and operation of the charity and meets to review those policies and to hear a record of operations. The Board employs a Chief Executive to work with a Head of Therapies and a Head of Education to oversee, direct and drive forward the Board's policies for the Clinic and the School (the principal operations of the charity). The Chief Executive has delegated powers for the day-to-day operation of the Board's policies for employment, finance, contracts, legal compliance (including Equal Opportunities), buildings and acquisitions, risk assessment and mitigation, Health and Safety and business development. To assist the Head of Education and meet statutory obligations for maintained schools, the Board has established a Board of Governors for the school. The Board of Governors has direct control of those matters bearing on the delivery of the educational service. Educational issues that are not within the competence of the Governors, are referred to the Board of Trustees. The Head of Therapies is responsible to the Trustees for the full delivery of the clinical contract which includes professional and service delivery standards. Currently the Head of Therapies is a role also held by the Chief Executive and to assist the Chief Executive a Business Manager is in post.

Induction and training of new trustees

This year we are mirroring our new induction process for Governors with a new package for Trustees, including a full briefing on their obligations under charity and company law, the structure of the charity and its operating procedures as set out in the Memorandum and Articles of Association and in those changes in statute which bear directly on the work of the charity (principally legislation in the areas of Education and Health). A briefing document has been prepared ready to work alongside a more formal induction and training process. Trustees are usually appointed because of specialist skills but the charity will meet any identified need for specialist training.

Related parties

The Society has formal and informal relationships with many other statutory and voluntary bodies. Principal amongst these is the 25-year Strategic Partnership Agreement with NHS Devon and Devon County Council under which the charity is joint-funded for a proportion of the costs of the statutory educational and clinical services it provides. Services provided by the NHS CCG include the delivery of clinical therapies at Vranch House and across the wider Devon community.

The network of national and local charities and voluntary bodies is too complex and numerous to describe fully but the Society retains active links with The Exeter Foundation, Dream-Away, Whizz Kids, CEDA and a number of County and national grant-making trusts. A similar network of local groups and individuals continues to assist the Society in raising funds for children at Vranch House, and this incredibly generous and loyal support provides a much-needed and indispensable resource. The charity has also forged close links with the NHS funded Children's Specialist Children's Assessment Centre which it hosts in a purpose-built facility on the Vranch House site.

Risk management

As a normal part of the annual business cycle the Society reviews its Risk Assessments. These include financial management, accounting, security of cash and removable assets, insurances, fire and Health & Safety. The outcome of these assessments is reported to the Trustees by the Chief Executive. The Safeguarding, Health and Safety, Legionella and Fire Risk Assessments are translated into operating policies which are available to all employees. Employees at every level are encouraged to contribute to the continuous business of risk assessment through the Staff Meetings held every month.

Vranch House Limited
Report of the Trustees
for the Year Ended 31 March 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT
Public Benefit - General Statement

The Trustees have established a practice continuously of reviewing all of the charity's activities and the development of services to ensure that they remain consonant with the requirements of the 2006 Charities Act, and particularly with Section 4 of the Act, (the need to demonstrate Public Benefit). The charity operates in partnership with statutory bodies in order to provide expertise, treatment and enhanced services to children with physical disabilities. Referrals to the service are made by Local Authorities, medical professionals and parents; all service-appropriate referrals are seen for assessment and the majority of assessed referrals are retained for treatment or given a place in the school as a pupil.

The referral process, whether as a therapy outpatient or potential school pupil, is controlled by the charity. A school placement or therapy intervention might be deemed inappropriate at the assessment stage but only for reasons that are cogent, demonstrable and compliant with benchmarked national practice. The charity is as public a body as its statutory partners, and enters into no private arrangements for individual treatment. No member of the public is denied the services provided by the charity provided those services are assessed to be suitable and appropriate for the individual concerned, and the parents or guardians interact with the Charity appropriately.

REFERENCE AND ADMINISTRATIVE DETAILS

As shown on page 1.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Vranch House Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

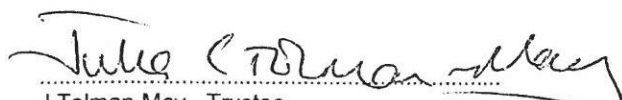
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Kirk Hills, will be proposed for re-appointment at the forthcoming Annual General Meeting. As usual a summary of Kirk Hills' performance will be provided by the Chief Executive and the Members will also be given alternative options should they wish to change auditors, enabling best practice by the charity regarding financial responsibility.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 3rd Dec. 2022 and signed on the board's behalf by:


J Tolman-May - Trustee

Report of the Independent Auditors to the Members of
Vbranch House Limited

Opinion

We have audited the financial statements of Vbranch House Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

We have nothing to report in respect of the following matters where 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
- 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.

Report of the Independent Auditors to the Members of
Vbranch House Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of
Vranch House Limited

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with the chief executive and other management, and from our knowledge and experience of the charity, education and health sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries management, reviewing correspondence with industry regulators, and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the chief executive and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Vranch House Limited

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.



Adrian Hills ACA (Senior Statutory Auditor)
for and on behalf of Kirk Hills
Chartered Accountants and Statutory Auditors
5 Barnfield Crescent
Exeter
Devon
EX1 1QT

Date: 22nd December 2022

Vbranch House Limited

Statement of Financial Activities
for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	13,316	65,157	78,473	74,781
Charitable activities					
School contracts		1,520,383	-	1,520,383	1,251,581
Health contract		1,120,074	-	1,120,074	1,034,586
Assessment centre		157,750	-	157,750	155,725
Optech		1,755	-	1,755	-
Other		82,054	8,465	90,519	10,483
Other trading activities	3	17,963	-	17,963	10,037
Investment income	4	258	-	258	1,289
Other income		-	-	-	4,000
Total		2,913,553	73,622	2,987,175	2,542,482
EXPENDITURE ON					
Raising funds	6	27,194	-	27,194	51,905
Charitable activities	7				
School contracts		1,104,496	37,868	1,142,364	1,070,152
Health contract		904,735	13,092	917,827	818,638
Assessment centre		81,375	-	81,375	80,675
Optech		23,557	-	23,557	30,772
Other		66,318	12,615	78,933	133,895
Other		17,955	-	17,955	22,806
Total		2,225,630	63,575	2,289,205	2,208,843
NET INCOME		687,923	10,047	697,970	333,639
RECONCILIATION OF FUNDS					
Total funds brought forward		6,233,327	1,052,720	7,286,047	6,952,408
TOTAL FUNDS CARRIED FORWARD		6,921,250	1,062,767	7,984,017	7,286,047

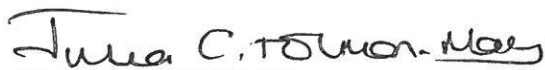
The notes form part of these financial statements

Vbranch House Limited

Balance Sheet
31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS					
Tangible assets	13	4,046,942	1,021,584	5,068,526	5,181,647
CURRENT ASSETS					
Stocks	14	4,106	-	4,106	4,708
Debtors	15	113,625	-	113,625	40,236
Cash at bank		<u>2,850,282</u>	<u>41,183</u>	<u>2,891,465</u>	<u>2,117,901</u>
		2,968,013	41,183	3,009,196	2,162,845
CREDITORS					
Amounts falling due within one year	16	(93,705)	-	(93,705)	(58,445)
NET CURRENT ASSETS		<u>2,874,308</u>	<u>41,183</u>	<u>2,915,491</u>	<u>2,104,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,921,250</u>	<u>1,062,767</u>	<u>7,984,017</u>	<u>7,286,047</u>
NET ASSETS		<u>6,921,250</u>	<u>1,062,767</u>	<u>7,984,017</u>	<u>7,286,047</u>
FUNDS	18				
Unrestricted funds				6,921,250	6,233,327
Restricted funds				<u>1,062,767</u>	<u>1,052,720</u>
TOTAL FUNDS				<u>7,984,017</u>	<u>7,286,047</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 31st December 2022 and were signed on its behalf by:


J Tolman-May - Trustee

The notes form part of these financial statements

Vranch House Limited

Cash Flow Statement
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>850,877</u>	<u>526,653</u>
Net cash provided by operating activities		<u>850,877</u>	<u>526,653</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(75,854)	(256,423)
Sale of tangible fixed assets		-	2,989
Interest received		<u>258</u>	<u>1,289</u>
Net cash used in investing activities		<u>(75,596)</u>	<u>(252,145)</u>
 Change in cash and cash equivalents in the reporting period		 775,281	 274,508
Cash and cash equivalents at the beginning of the reporting period	2	<u>2,115,299</u>	<u>1,840,791</u>
Cash and cash equivalents at the end of the reporting period	2	<u>2,890,580</u>	<u>2,115,299</u>

The notes form part of these financial statements

Vbranch House Limited

Notes to the Cash Flow Statement
for the Year Ended 31 March 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	31.3.22		31.3.21
	£		£
Net income for the reporting period (as per the Statement of Financial Activities)	697,970		333,639
Adjustments for:			
Depreciation charges	188,659		178,125
Loss on disposal of fixed assets	316		-
Interest received	(258)		(1,289)
Decrease in stocks	602		657
(Increase)/decrease in debtors	(73,389)		27,216
Increase/(decrease) in creditors	36,977		(11,695)
Net cash provided by operations	<u>850,877</u>		<u>526,653</u>
2. ANALYSIS OF CASH AND CASH EQUIVALENTS			
	31.3.22		31.3.21
	£		£
Notice deposits (less than 3 months)	2,891,465		2,117,901
Overdrafts included in bank loans and overdrafts falling due within one year	(885)		(2,602)
Total cash and cash equivalents	<u>2,890,580</u>		<u>2,115,299</u>
3. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank	2,117,901	773,564	2,891,465
Bank overdraft	(2,602)	1,717	(885)
	<u>2,115,299</u>	<u>775,281</u>	<u>2,890,580</u>
Total	<u>2,115,299</u>	<u>775,281</u>	<u>2,890,580</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Vranch House Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling (£).

Preparation of the accounts on a going concern basis

The Charity continues to rely on the Service Led Agreement with Devon County Council and the new CCG, as set out in the Trustees' Report. Based on information received to date, the Trustees have no reason to believe this support will not continue. These accounts have therefore been prepared on a going concern basis.

Fund Accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used at the discretion of the trustees in the furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the re-statement of the property at market value.

Restricted funds - these are funds that can only be used for the particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Income

All income is included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the income have been met and it is probable that the income will be received and the amount can be measured reliably.

Donations, gifts, and grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the School that a distribution will be made, or when a distribution is received from the estate.

Investment income is included when receivable.

The value of services provided by volunteers has not been included in these accounts. Further details of the contribution made by volunteers can be found in the trustees' annual report.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis, inclusive of Value Added Tax which cannot be recovered. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Raising funds are primarily those costs incurred in attracting donations, gifts and grants and also the costs associated with other trading activities.

Vranch House Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

1. ACCOUNTING POLICIES - continued

Expenditure

Charitable activities expenditure comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The charity does not make any charge for capital costs to any of its principal customers.

Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between expenditure categories on the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, e.g. time, floor area, per capita or estimate of usage, as set out in the notes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 5% on cost
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or items costing less than £100 are not capitalised.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling cost in bringing stocks to their present location and condition.

Taxation

The company is a registered charity and will be exempt from taxation as long as it remains within the terms laid down by the Charity Commission.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Vranch House Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

1. ACCOUNTING POLICIES - continued

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.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements;

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated lives. Asset residual values and useful lives are based on estimates and judgements and are reviewed and adjusted if necessary.

Pensions

Teaching staff employed by the charity are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory contributory, unfunded defined benefit scheme administered by the Teachers' Pension Agency, an executive agency of the Department for Education and Employment. Pension costs are accessed in accordance with the advice of the Government Actuary. The scheme is guaranteed by the government and therefore there will be no liability to the Charity.

The charity has arranged two defined contribution pension schemes for those members who are not eligible to join the Teachers' Pension Scheme. The assets of these schemes are held separately from those of the Charity, being invested with insurance companies.

The Charity has another defined contributions pension scheme, which was set up to comply with the Government legislation for compulsory pensions in the work place.

All three of these defined Pension Schemes are operated by insurance companies, the employees contract directly with the insurance company. The Charity acts as agent in collecting and paying over pension contributions. There will be no liability to the Charity.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Charity in the year for the defined benefit scheme and the three defined contribution pension schemes. All four schemes are funded by contributions from employee and employer.

Donated Services and goods

Donated professional services and goods are recognised as income when the charity has control over the item, any conditions associated with the donated items have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated goods are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or goods of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity.

Vranch House Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. DONATIONS AND LEGACIES		31.3.22	31.3.21
		£	£
Membership		98	458
Donations and grants		78,368	23,137
Legacies		<u>7</u>	<u>51,186</u>
		<u>78,473</u>	<u>74,781</u>
3. OTHER TRADING ACTIVITIES		31.3.22	31.3.21
		£	£
Fundraising events		7,111	2,399
Rents received		7,197	7,058
Courses		<u>3,655</u>	<u>580</u>
		<u>17,963</u>	<u>10,037</u>
4. INVESTMENT INCOME		31.3.22	31.3.21
		£	£
Bank interest		<u>258</u>	<u>1,289</u>
5. INCOME FROM CHARITABLE ACTIVITIES		31.3.22	31.3.21
		£	£
Vranch House School	School contracts	1,520,383	1,251,581
Vranch House Centre	Health contract	1,120,074	1,034,586
Assessment Centre	Assessment centre	157,750	155,725
Optech	Optech	1,755	-
Vranch House School	Other	67,342	-
Other Charitable activities	Other	<u>23,177</u>	<u>10,483</u>
		<u>2,890,481</u>	<u>2,452,375</u>
6. RAISING FUNDS			
Raising donations and legacies		31.3.22	31.3.21
		£	£
Staff costs		21,265	47,662
Society administration		1,743	1,905
Office costs		1,809	1,275
Fundraising		<u>2,377</u>	<u>1,063</u>
		<u>27,194</u>	<u>51,905</u>

Vranch House Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
School contracts	1,142,364
Health contract	917,827
Assessment centre	81,375
Optech	23,557
Other	<u>78,933</u>
	<u>2,244,056</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.22 £	31.3.21 £
Depreciation - owned assets	188,659	178,126
Deficit on disposal of fixed assets	316	-
Auditor's remuneration - external audit	6,250	6,200
Auditor's remuneration - other services	<u>2,534</u>	<u>2,282</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

10. STAFF COSTS

Analysis of staff costs;

	31.03.22	31.03.21
Wages	1,643,023	1,625,642
Social Security	121,429	126,365
Pension	<u>113,976</u>	<u>100,813</u>
	<u>1,878,428</u>	<u>1,852,820</u>

The average monthly number of employees during the year was as follows:

	31.3.22	31.3.21
Chief Executive	1	1
Vranch House School	53	45
Health Contract	33	31
Other Charitable activities	<u>10</u>	<u>9</u>
	<u>97</u>	<u>86</u>

Vbranch House Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

10. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.22	31.3.21
£60,001 - £70,000	-	1
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u><u>1</u></u>	<u><u>2</u></u>

The Charity considers its key management personnel comprise of the Chief Executive & Head of Therapies, Head of Education and the Business Support Manager .

The total employment costs (salary, employers NIC and pension) for the key management personnel was £254,627 (2021:£242,775).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	64,448	10,333	74,781
Charitable activities			
School contracts	1,251,581	-	1,251,581
Health contract	1,034,586	-	1,034,586
Assessment centre	155,725	-	155,725
Other	10,483	-	10,483
Other trading activities	10,037	-	10,037
Investment income	1,289	-	1,289
Other income	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Total	<u><u>2,532,149</u></u>	<u><u>10,333</u></u>	<u><u>2,542,482</u></u>
EXPENDITURE ON			
Raising funds	51,905	-	51,905
Charitable activities			
School contracts	1,034,106	36,046	1,070,152
Health contract	805,846	12,792	818,638
Assessment centre	80,675	-	80,675
Optech	30,772	-	30,772
Other	133,895	-	133,895
Other	<u>22,806</u>	<u>-</u>	<u>22,806</u>
Total	<u><u>2,160,005</u></u>	<u><u>48,838</u></u>	<u><u>2,208,843</u></u>
NET INCOME/(EXPENDITURE)	372,144	(38,505)	333,639
RECONCILIATION OF FUNDS			
Total funds brought forward	5,861,183	1,091,225	6,952,408
TOTAL FUNDS CARRIED FORWARD	<u><u>6,233,327</u></u>	<u><u>1,052,720</u></u>	<u><u>7,286,047</u></u>

Vranch House Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

12. PENSION CONTRIBUTIONS

The employer's contributions made to the Teachers' Pension Scheme - which is a defined benefit scheme - in 2022 were £44,663 (2021:£42,661). The contributions made to the Prudential Pension Scheme - which is a money purchase scheme - in 2022 were £58,483 (2021:£46,361). The employer's contribution made to NEST Pension Scheme, which is also a money purchase scheme - in 2022 were £10,830 (2021:£9,824). The employer's contribution made to the Old Mutual Wealth Pension Scheme - which is also a money purchase scheme - in 2022 £0 (2021: £1,967).

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST					
At 1 April 2021	5,426,183	581,056	792,541	81,134	6,880,914
Additions	-	23,130	52,724	-	75,854
Disposals	-	-	(490)	-	(490)
At 31 March 2022	<u>5,426,183</u>	<u>604,186</u>	<u>844,775</u>	<u>81,134</u>	<u>6,956,278</u>
DEPRECIATION					
At 1 April 2021	932,549	50,710	648,460	67,548	1,699,267
Charge for year	108,523	30,209	46,531	3,396	188,659
Eliminated on disposal	-	-	(174)	-	(174)
At 31 March 2022	<u>1,041,072</u>	<u>80,919</u>	<u>694,817</u>	<u>70,944</u>	<u>1,887,752</u>
NET BOOK VALUE					
At 31 March 2022	<u>4,385,111</u>	<u>523,267</u>	<u>149,958</u>	<u>10,190</u>	<u>5,068,526</u>
At 31 March 2021	<u>4,493,634</u>	<u>530,346</u>	<u>144,081</u>	<u>13,586</u>	<u>5,181,647</u>

The cost of freehold property is £3,306,988 (2021 : £3,306,988). The property was revalued in March 2012, the revaluation uplift was £2,119,195.

The Trustees had the land and buildings valued by John Daborn FRICS, Drew Pearce, Exeter in March 2016. The valuation of £5,490,000 was made on a Depreciated Replacement Cost basis assuming that all ongoing works had been completed. This valuation has not been reflected in the accounts.

14. STOCKS

	31.3.22 £	31.3.21 £
Stocks	<u>4,106</u>	<u>4,708</u>

Vranch House Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	1,706	24,555
Other debtors	13,457	-
Prepayments	23,887	15,681
Accrued income	74,575	-
	<u>113,625</u>	<u>40,236</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Bank loans and overdrafts (see note 17)	885	2,602
Trade creditors	43,505	18,340
Social security and other taxes	29,117	26,099
Other creditors	11,408	2,854
Accrued expenses	8,790	8,550
	<u>93,705</u>	<u>58,445</u>

17. LOANS

An analysis of the maturity of loans is given below:

	31.3.22	31.3.21
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>885</u>	<u>2,602</u>

18. MOVEMENT IN FUNDS

	At 1.4.21	Net movement	Transfers	At
	£	in funds	between	31.3.22
		£	funds	£
			£	
Unrestricted funds				
General fund	4,114,132	687,923	-	4,802,055
Revaluation reserve	2,119,195	-	-	2,119,195
	6,233,327	687,923	-	6,921,250
Restricted funds				
Fixed Asset Fund	1,044,311	(50,815)	28,088	1,021,584
Training Fund	145	(145)	-	-
Accessible Living Suite Fund	1,039	-	-	1,039
Outdoor Area Fund	1,122	146	-	1,268
Minibus Fund	6,103	27,084	-	33,187
Masonic Fund	-	33,777	(28,088)	5,689
	<u>1,052,720</u>	<u>10,047</u>	-	<u>1,062,767</u>
TOTAL FUNDS	<u>7,286,047</u>	<u>697,970</u>	-	<u>7,984,017</u>

Vbranch House Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,913,553	(2,225,630)	687,923
Restricted funds			
Fixed Asset Fund	-	(50,815)	(50,815)
Training Fund	4,150	(4,295)	(145)
Outdoor Area Fund	146	-	146
Minibus Fund	27,084	-	27,084
Masonic Fund	33,777	-	33,777
DCC Fund	8,465	(8,465)	-
	<u>73,622</u>	<u>(63,575)</u>	<u>10,047</u>
TOTAL FUNDS	<u>2,987,175</u>	<u>(2,289,205)</u>	<u>697,970</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	3,741,988	372,144	-	4,114,132
Revaluation reserve	<u>2,119,195</u>	<u>-</u>	<u>-</u>	<u>2,119,195</u>
	5,861,183	372,144	-	6,233,327
Restricted funds				
Fixed Asset Fund	1,091,080	(47,568)	799	1,044,311
Training Fund	145	-	-	145
Accessible Living Suite Fund	-	1,838	(799)	1,039
Outdoor Area Fund	-	1,122	-	1,122
Minibus Fund	<u>-</u>	<u>6,103</u>	<u>-</u>	<u>6,103</u>
	<u>1,091,225</u>	<u>(38,505)</u>	<u>-</u>	<u>1,052,720</u>
TOTAL FUNDS	<u>6,952,408</u>	<u>333,639</u>	<u>-</u>	<u>7,286,047</u>

Vranch House Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,532,149	(2,160,005)	372,144
Restricted funds			
Fixed Asset Fund	-	(47,568)	(47,568)
Accessible Living Suite Fund	2,108	(270)	1,838
Musical Fund	1,000	(1,000)	-
Outdoor Area Fund	1,122	-	1,122
Minibus Fund	6,103	-	6,103
	<u>10,333</u>	<u>(48,838)</u>	<u>(38,505)</u>
TOTAL FUNDS	<u>2,542,482</u>	<u>(2,208,843)</u>	<u>333,639</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General fund	3,741,988	1,060,067	-	4,802,055
Revaluation reserve	<u>2,119,195</u>	<u>-</u>	<u>-</u>	<u>2,119,195</u>
	5,861,183	1,060,067	-	6,921,250
Restricted funds				
Fixed Asset Fund	1,091,080	(98,383)	28,887	1,021,584
Training Fund	145	(145)	-	-
Accessible Living Suite Fund	-	1,838	(799)	1,039
Outdoor Area Fund	-	1,268	-	1,268
Minibus Fund	-	33,187	-	33,187
Masonic Fund	-	33,777	(28,088)	5,689
	<u>1,091,225</u>	<u>(28,458)</u>	<u>-</u>	<u>1,062,767</u>
TOTAL FUNDS	<u>6,952,408</u>	<u>1,031,609</u>	<u>-</u>	<u>7,984,017</u>

Vranch House Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	5,445,702	(4,385,635)	1,060,067
Restricted funds			
Fixed Asset Fund	-	(98,383)	(98,383)
Training Fund	4,150	(4,295)	(145)
Accessible Living Suite Fund	2,108	(270)	1,838
Musical Fund	1,000	(1,000)	-
Outdoor Area Fund	1,268	-	1,268
Minibus Fund	33,187	-	33,187
Masonic Fund	33,777	-	33,777
DCC Fund	8,465	(8,465)	-
	<u>83,955</u>	<u>(112,413)</u>	<u>(28,458)</u>
TOTAL FUNDS	<u>5,529,657</u>	<u>(4,498,048)</u>	<u>1,031,609</u>

Purposes of Restricted Funds

Accessible Living Suite Fund

This fund represents a grant to adapt an existing teaching space to enable children and young people to exercise control over this environment using WiFi enable devises. Not all of the fund was spent by the year end, the remaining balance will be spent in the current year to complete the project.

Outdoor Area Fund

This fund represents donations received in the year towards the Outdoor Area project, the balance on the fund has been carried forward until the full amount for the project has been raised.

Training Fund

This fund represents donations received to cover the cost of training, this was spent in full during the year.

Minibus Fund

This fund represents donations received in the year towards the purchase of a new minibus, the balance on the fund has been carried forward until the full amount for the minibus has been raised.

Fixed Asset Fund

This represents equipment purchased for the Physiotherapy Department and touch screens for the School using a restricted income fund. It also includes part of the cost of the Taverners minibus, and Outdoor trail. Part of the costs of the ICT Building and the Big Build and equipment for the Centre and further costs of the building the new Assessment Centre were added. Costs of the Hydro Pool have been added too. In the year to 31 March 2018 two large donations were received one from The Clare Milne Trust and the other from Ben Neary for the purchase of an Innowalk. In 2019 there was one large donation was received from The Clare Milne Trust to assist with the property improvements carried out in relation to the 3 year capital project. In the year to 31 March 2020 one large donation was received to cover the purchase of two Innowalks. In the year to 31 March 2022 a riding simulator was purchased using the Masonic grant.

The value of this fund will be depreciated over time.

Masonic Fund

This fund represents a donation to cover the cost of a riding simulator and the accessories to go along side it. The remaining balance on the fund is carried forward to next year for the remaining items to be purchased.

DCC - Fund

This fund represents a grant given to update the existing carpet flooring to new vinyl flooring.

Vranch House Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

19. CAPITAL COMMITMENTS

	31.3.22	31.3.21
	£	£
Contracted but not provided for in the financial statements	<u>70,000</u>	<u>-</u>

Authorised by the Board but not contracted for, £50,000 for a new roof for Honeylands and £20,000 for a new ramp at Honeylands.

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022 other than remuneration.

21. FINANCIAL INSTRUMENTS

Financial assets

Debt instruments measured at amortised cost £1,706 (2021: £24,555).

Financial liabilities

Measured at amortised cost £45,696 (2021: £22,734).

22. GENERAL INFORMATION

The company, in common with other Charities of a similar size and organisation, derives some of its income from voluntary donations and fundraising activities. These cannot be fully controlled until they are entered into the accounting records.

The trading address of the company can be found on page 1 of the financial statements.

On the 20 October 2021 the company changed it's name from Devon & Exeter Spastics Society to Vranch House Limited.

Vranch House Limited
Detailed Statement of Financial Activities
for the Year Ended 31 March 2022

	31.3.22 £	31.3.21 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Membership	98	458
Donations and grants	78,368	23,137
Legacies	<u>7</u>	<u>51,186</u>
	78,473	74,781
Other trading activities		
Fundraising events	7,111	2,399
Rents received	7,197	7,058
Courses	<u>3,655</u>	<u>580</u>
	17,963	10,037
Investment income		
Bank interest	258	1,289
Charitable activities		
Vranch House School	1,587,725	1,251,581
Vranch House Centre	1,120,074	1,034,586
Assessment Centre	157,750	155,725
Optech	1,755	-
Other Charitable activities	<u>23,177</u>	<u>10,483</u>
	2,890,481	2,452,375
Other income		
Other income	<u>-</u>	<u>4,000</u>
Total incoming resources	2,987,175	2,542,482
EXPENDITURE		
Raising donations and legacies		
Wages	21,265	47,662
Society administration	1,743	1,905
Office costs	1,809	1,275
Fundraising	<u>2,377</u>	<u>1,063</u>
	27,194	51,905
Charitable activities		
Wages	1,849,891	1,795,649
Cleaning	35,190	37,882
Health	22,923	8,153
Meals	11,176	8,444
Office costs	17,282	14,822
Optech	578	7
Professional charges	7,431	1,427
School costs	28,168	12,061
Carried forward	1,972,639	1,878,445

This page does not form part of the statutory financial statements

Vbranch House Limited

Detailed Statement of Financial Activities
for the Year Ended 31 March 2022

	31.3.22	31.3.21
	£	£
Charitable activities		
Brought forward	1,972,639	1,878,445
Society admin	16,074	16,424
Travel costs	7,474	5,987
Establishment costs	54,680	53,138
Grounds	4,214	2,013
Plant and machinery	188,659	178,125
Loss on sale of tangible fixed assets	<u>316</u>	<u>-</u>
	2,244,056	2,134,132
Other		
Wages	7,272	9,509
Professional charges	10,540	13,157
Society admin	13	13
Office costs	<u>130</u>	<u>127</u>
	17,955	22,806
Total resources expended	<u>2,289,205</u>	<u>2,208,843</u>
Net income	<u>697,970</u>	<u>333,639</u>

This page does not form part of the statutory financial statements

Vbranch House Limited

England & Wales - Charity number 1002700

Accounts

Report of the Trustees and
Financial Statements for the Year Ended 31 March 2021
for
Devon & Exeter Spastics Society

Kirk Hills
Chartered Accountants and Statutory Auditors
5 Barnfield Crescent
Exeter
Devon
EX1 1QT

Devon & Exeter Spastics Society

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for the Year Ended 31 March 2021

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Devon & Exeter Spastics Society

Report of the Trustees **for the Year Ended 31 March 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of 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).

The Board of the Society presents its report and audited financial statements for the year ended 31 March 2021.

Reference and Administrative Information

Registered Charity Name: The Devon & Exeter Spastics Society
(Working Title): **Vranch House**

Charity Registration Number: 1002700
Company Registration Number: 02599511

Registered Office and
Operational Address:

Vranch House School & Centre
Pinhoe Road
EXETER
DEVON
EX4 8AD

Auditors - Kirk Hills, 5 Barnfield Crescent, Exeter, Devon, EX1 1QT
Bankers - NatWest, St Thomas Branch, Exeter, Devon, EX4 1DB
Solicitors - Foot Anstey, Senate Court, Exeter, EX1 1NT

Board of the Society

Mrs J Tolman-May Chairman
Mr A J Griffin Vice Chairman (until 10th December 2019, subsequently remained as a Trustee)
Mrs R Neary Vice Chairman (from 10th December 2019, previously a Trustee)
Mrs M Williams (until November 2020)
Miss P Hale
Mrs R Pavitt
Dr R Tomlinson
Miss S Williams
Mrs S Tutinas (from November 2020)
Col G Wheeler (Secretary, ex officio as Chief Executive with no voting until July 2020)
Mrs K Moss (ex officio as Head of Therapies with no vote)
Mr I Norton (ex officio as Heads of Education)

Company Secretary & Chief Executive

Colonel G Wheeler - (resigned - 31 July 2020)
Mrs K Moss - (appointed 1 August 2020)

Board of Governors

Mrs J Tolman-May Chairman
Mr A J Griffin Vice Chairman (until 24th September 2019, subsequently remained as a Governor)
Mrs R Neary Vice Chairman (from 24th September 2019, previously a Parent Governor)
Col G Wheeler Secretary - (until 31 July 2020)
Mrs K Moss Secretary - (from 1 August 2020)
Mr I Norton Head of Education
Mrs K Moss Head of Therapies
Mrs V Lye Staff member
Miss S Tutinas Parent Governor

Devon & Exeter Spastics Society

Report of the Trustees
for the Year Ended 31 March 2021

Management Committee

Mrs J Tolman-May Chairman
Col G Wheeler (until July 2020)
Mrs K Moss
Mr I Norton
Ms R S Wheeler (from July 2020)

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's objects and principal activities continue to be those of:

- i Promoting and providing facilities for the care, education, training, treatment and welfare in their respective aspects of people with physical difficulties.
- ii Advising, helping or catering for the needs of the parents or others having the care of people with physical difficulties.

The core activities arising from these aims are the education of children with physical difficulties from the age of 2 to 19 at Vranck House School and the provision of paediatric therapies and clinical treatment to children as outpatients at locations throughout Devon. The charity has also developed Opportunity Technology, a not-for-profit service which designs, installs and maintains assisted mobility tracks and robotic vehicles throughout England and Wales.

Devon & Exeter Spastics Society

Report of the Trustees **for the Year Ended 31 March 2021**

STRATEGIC REPORT

Achievement and performance

In order to direct the activities of the charity in such a way that Public Benefit can be identified clearly, the Trustees have set out the following Aims and Strategies;

School Aim: The school is to be organised, equipped, staffed, managed and operated to the highest national standards.

- **Strategy to Achieve Aim:** The Governors will monitor the established Continuous Improvement Programme and the School Audit Cycle with the intention of maintaining the high OFSTED gradings of "outstanding" or "good" achieved in 1996, 2001, 2005, 2009, 2012, 2015 and 2018.

Clinic Aim: The charity's clinical activities are to be organised, equipped, staffed, managed and operated to the highest national standards.

- **Strategy to Achieve Aim:** The Trustees will monitor clinical operations with the intention of maintaining a prompt, and efficient service with excellent standards of care. In order to do this, the Trustees will use tools such as reports and standards set by the National Service Framework, and quality audits conducted in alliance with our statutory partners.

Financial Performance Aim: The charity's financial affairs are to be conducted to the highest levels of public probity and according to the policies and procedures established for service and capital development consistent with the need to demonstrate Public Benefit.

- **Strategy to Achieve Aim:** The Trustees will consider financial Performance Indicators, other financial records and Risk Assessments at all their meetings, to ensure that all our financial processes meet the requirements of both the Statements of Recommended Practice of the Charity Commission and Companies House. The Trustees will look at the record of expenditure to ensure that public monies are used exclusively for the Public Benefit.

Public Benefit - Achievements and Performance

The Trustees are pleased to note that the record of operations for the year under review complied with the aims and strategies set out by the Board and have exceeded expectations. The build of the new Innowalk suite was timetabled to be completed in the summer of 2020, but due to the Covid-19 pandemic this wasn't completed until September 2020. The investment programme also provided for normal maintenance and some improvement of the Honeylands building such as roof works.

The high quality of service delivery has been maintained despite significant increases in the number of outpatient referrals, and in the number of school pupils placed in the school with complex needs. Logistical and practical adaptations were also made within the school to protect the pupils and staff during the pandemic. There was an average of 45 children on the school roll and just over 2,000 children on the clinical list. Engagement with the range of outpatient services has continued to be positive, and we still maintain a high level of support to mainstream schools through direct clinical interventions and training programmes such as the Fun Fit and High Five training programmes which train school staff to recognise and use intervention techniques for Gross and Fine Motor Developmental Coordination Disorder. The Fun Fit and High Five programmes also contribute to the charity's income.

The Trustees are pleased to report the effectiveness of the charity's ongoing and significant investment in Continuous Professional Development for its staff. All the therapists, teachers and support staff are engaged in, or have access to, programmes of learning, some of which will lead to first or second degrees. This has been a benefit of COVID as many more courses have moved to an online format making them more accessible to staff. All of the staff with contact with children are trained to the very highest Safeguarding level available to them (Level Three), and our two Safeguarding Leads are trained to Level Six.

Through the COVID-19 pandemic Vranck House remained fully open. The school remained open and whilst some children were shielding at home for the first lockdown in April 2020, by September 2020 we had returned to full pupil attendance.

The school numbers continued to grow despite the pandemic, and we have been lucky to be able to recruit new staff to the team to make this growth possible without diluting our high standard of care in the delivery of healthcare and education according to the pupils Education and Health Care plans.

The clinic side of Vranck house remained fully open in the pandemic. In the April lockdown some patients were seen via online platforms but by September 2020 all patients had returned to being offered the option of being seen face to face, with only a very small number at that point requesting to be seen via an online video call.

Devon & Exeter Spastics Society

Report of the Trustees **for the Year Ended 31 March 2021**

Mean waiting times for this year across all services was 12.75 weeks against a national target of 18 weeks. This is an increase on our usually low waiting times. Sadly, this is only the average as we had to stop during the first lock down non-essential appointments for nearly 4 months if face to face was required, this effected the Occupational Therapy and combined assessments meaning some children waited up to 37 weeks. Last year the higher mean wait is also due to increase in referrals due to the impact of the Covid-19 pandemic on children and young people's development, access to other services, and staffing levels due to track and trace and isolation requirements.

We have an excellent record of high satisfaction of patients accessing our services and this is supported by the policy to allow and encourage families to speak directly to the Chief Executive, Head of Therapies and Head of Education if they wish. The thorough training of staff in how to interact with and support patients and their families also aids patient satisfaction and engagement with the service.

Financial review

Financial position

The Statement of Financial Activities shows total income for the year ending the 31st of March 2021 of £2,542,482 (£2,386,253 in 2020), an increase of £156,229 largely due to the increased number of school pupils. The Society's Net Current Assets stand at £2,104,400 (£1,846,069 in 2020). This increase of £258,331 is the result of the corresponding increase in income in relation to expenditure. The Society has Net Assets amounting to £7,286,047 (£6,952,408 in 2020) - an increase mainly generated by higher capital spend.

The net income and net movement in funds for the year is £333,639 (£398,372 in 2020). Adding back depreciation of £178,126 (a non-monetary expense) to this net income, the Society made a cash surplus in the year of £511,765 (£556,709 in 2020). This is a slight decrease from 2019 due to the building project of the Innowalk suite (which was completed from the cash surplus across the 2 years and completed with final bills paid in this financial year) and the impact of COVID.

Total income from Charitable activities of £2,452,375 (£2,247,630 in 2020) includes the contract income from the contracts for clinical and educational services. Total income from donations and all other sources is £74,781, which is lower than the previous year's total of £114,668, but is still remarkable in a pandemic year. The capital and revenue costs not charged to our contract partners remain in excess of £700,000 which forms a substantial part of our charitable benefit. The strong financial performance of the charity is remarkable considering the significant impact of staffing and expenditure on PPE during the COVID pandemic.

Investment policy

The Memorandum and Articles provide the Trustees with the power to make investments as they choose but consonant with current Charity Commission advice. The charity's cash assets are invested in a Business Reserve but we would consider utilising opportunities for low-risk investment if interest rates improve.

Reserves & Going Concern

The Trustees have established a liquid reserves policy so that it is consonant with the revenue interests of a service charity. By setting the development of liquid reserves to the equivalent of annual operating costs, revenue will be developed from interest which will enable further development in our services. The forecast level of funding is such that an operating surplus is expected for the current year and the maintained reserve is such to provide a cushion in the event that either of the largest sources of income is threatened. The current fiscal retrenchment and unprecedented low interest rates have proved the wisdom of establishing and maintaining this policy. The Trustees are unanimous in the opinion that the Charity remains a going concern.

Devon & Exeter Spastics Society

Report of the Trustees **for the Year Ended 31 March 2021**

STRATEGIC REPORT

Financial review

Pay and Emolument Policy for All Staff

The Trustees serve as volunteers and eschew reward and expenses.

The policy established by the Trustees for setting and reviewing the pay for all employed staff is;

1. As the charity exists to provide services and these services are delivered by trained personnel, expenditure on pay is the largest part of all revenue spending. The rates and costs of staff expenditure are thus reviewed and approved by the Trustees at all their meetings.
2. Pay rates for all staff are set on the principal that the rates must be competitive within the local charitable and statutory sectors so that the charity can continue to recruit high quality staff.
3. As the charity employs and relies on the services provided by a number of personnel without professional qualifications, pay at the lower level must exceed national benchmarks. The charity pays in excess of the national living wage to all staff.
4. The multiple between the lowest and the highest paid should not exceed a factor of five.
5. All staff must have access to appropriate pension schemes and these, again, must be competitive within the local charitable sector.
6. The Chief Executive is responsible for providing the Management Committee and the Board of Trustees with information on the annual pay and emoluments budget.

Income & Service Risks

Notwithstanding the strategies for maintaining Public Benefit (q.v. Public Benefit Aims & Strategies above) the Trustees, having reviewed the strategic objectives of the charity in the light of possible obstructions to achieving them, have determined that;

1. Income Growth: We have defined a Core Offer for the school which reflects the Special Educational Needs and Disabilities (SEND) process, allows for use of the Devon Assessment Framework and enables Educational, Health and Care Plans (EHCPs). This has facilitated an adjustment of the education component of the Agreement to meet the needs of the children in the school. We are still working hard with the NHS to adjust the balance with the health contract monies which have only had a negligible increase in the last 13 years.
2. Income Security: The separate contracts are non-competitive because of the high amount of public benefit developed by it (now over 60% of the true costs of the statutory services provided by the charity is funded by the charity). The contract has a 25-year life (until 2036) and the only threat to it is a sustained or existential failure to meet the service quality standards. The charity contribution is largely met from the capital charges and revenue it waives, principally for the use of capital facilities which the charity owns and the running costs of these facilities, but strong negotiations with the NHS will have to continue with increases in running costs occurring in this financial climate.
3. Quality Standards: the Chief Executive is tasked with maintaining a continuous cycle of Risk Assessment reviews assisted and advised by the Heads of Department in the Senior Management Team (the Head of Therapies and the Head of Education). Principal amongst these are those relating to Safeguarding, Health & Safety and Financial Probity. The on-going review and development of these risk assessments and the policies and procedures that flow from them is of the highest priority as essential elements of the charity's strategic interest.

Devon & Exeter Spastics Society

Report of the Trustees **for the Year Ended 31 March 2021**

STRATEGIC REPORT

Plans for Future Periods

The new Service Led Agreement with Devon County Council and NEW CCG has operated since the 1st of April 2011. The Agreement set a target for charitable investment in these statutory services of no more than 30% of the total cost. As of April 2021 the total contract value had not increased for 12 years despite considerable inflation in both the numbers and complexity of referrals made to the charity so that our contribution is now more than 60%. We have defined a new Core Offer for the school which has been agreed by Devon County Council. It offers significant value for money for the authority, and yet will make the future of the school sustainable at the increased level of service provision required by the cohort of children educated in the school.

With developments to the Vranth House buildings we have increased capacity for pupil numbers up to 55. We are still working with our partners to look at opportunities to expand this provision from 19 to 25 in line with the Education health care process, or to meet the increasing demand on special school placements.

The charity continues to establish benchmarks in clinical and educational practice in order to meet its goal of not just meeting but exceeding service delivery standards. Preparations for the new OFSTED regime have been implemented, and the continuous professional development of our clinical services is ongoing. With new online training courses being available due to Covid-19 restrictions Vranth House has been able to provide more professional development for staff that may not have been previously available.

The Trustees have established a conservative policy for future capital spend, and for the revenue development of all the charity services. Whilst our statutory partners are actively engaged in establishing new ways of delivering services, in which this charity will play a significant part, there will be a continuation of the need for retrenchment and for adopting new methods of working in order to sustain current activity levels at less cost.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The organisation is a Company Limited by Guarantee (Registered Number 2599511), incorporated on the 9th of April 1991, and an independent charity (Registered Number 1002700) registered with the Charity Commission on the 15th of May 1991. It is governed by its Memorandum and Articles of Association and the Instrument of Management. Any person over the age of 18 can become a member of the charity on payment of an annual fee of £2 (for those not in work) or £5 (for those in employment). There are currently 66 members each of whom are liable to the extent of their membership fee in the event of the company being wound up. All members have the right to vote at General Meetings.

Appointment of trustees

The number of Trustees can be set at any General Meeting but has rarely varied from a mean of 12 between the minimum of 8 and maximum of 16 stated in the Governing Document. The membership are free to nominate trustees and these nominations are ratified at the Annual General Meeting. The senior officers (Chairman and Vice Chairman) are elected every year and the Chief Executive acts as Company Secretary. Employees of the charity may be members of the charity and the four senior employees are ex officio members of the Board of Trustees but no employee is entitled to vote at any meeting of the Trustees. The Executive Committee of the charity is known as the Board of the Society and the Board may co-opt any member of the charity to fill a specialist role.

Organisation

The Board of the Society has strategic oversight of the charity and meets three times a year. The Board establishes all policy for the general direction and operation of the charity and meets to review those policies and to hear a record of operations. The Board employs a Chief Executive to work with a Head of Therapies and a Head of Education to oversee, direct and drive forward the Board's policies for the Clinic and the School (the principal operations of the charity). The Chief Executive has delegated powers for the day-to-day operation of the Board's policies for employment, finance, contracts, legal compliance (including Equal Opportunities), buildings and acquisitions, risk assessment and mitigation, Health and Safety and business development. To assist the Head of Education and meet statutory obligations for maintained schools, the Board has established a Board of Governors for the school. The Board of Governors has direct control of those matters bearing on the delivery of educational services; matters relating to finance, employment and resources, if not within the competence of the Governors, are referred to the Board of Trustees. The Head of Therapies is responsible to the Trustees for the full delivery of the clinical contract which includes professional and service delivery standards. Currently the Head of Therapies is a role also held by the Chief Executive and to assist the Chief Executive a Business Manager is in post.

Induction and training of new trustees

Trustees are briefed frequently on their obligations under charity and company law, the structure of the charity and its operating procedures as set out in the Memorandum and Articles of Association and in those changes in statute which bear directly on the work of the charity (principally legislation in the areas of Education and Health). A briefing document has been prepared alongside a more formal induction and training process. Trustees are usually appointed because of specialist skills but the charity will meet any identified need for specialist training.

Devon & Exeter Spastics Society

Report of the Trustees **for the Year Ended 31 March 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Society has formal and informal arrangements and relationships with many other statutory and voluntary bodies. Principal amongst these is the 25-year Strategic Partnership Agreement with NHS Devon and Devon County Council under which the charity is joint-funded for a proportion of the costs of the statutory educational and clinical services it provides. These services include the assessment of potential pupils, the education of pupils at Vbranch House School, the review of pupil development and the delivery of clinical therapies at Vbranch House and across the wider Devon community.

The network of national and local charities and voluntary bodies is too complex and numerous to describe fully but the Society retains active links with The Exeter Foundation, Dream-Away, Whizz Kids, Children in Need, CEDA and a number of County and National grant-making Trusts. A similar network of local groups and individuals continues to assist the Society in raising funds for children at Vbranch House, and this incredibly generous and loyal support provides a much-needed and indispensable resource. The charity has also forged close links with the NHS funded Children's Specialist Children's Assessment Centre which it hosts in a purpose-built facility on the Vbranch House site. It is worth noting that the children at Vbranch House School raise money each year for other charities which have included Little Bridge House (the local children's hospice), Young Minds, Comic Relief and the Royal British Legion.

Risk management

As a normal part of the annual business cycle the Society reviews its Risk Assessments. These include financial management, accounting, security of cash and removable assets, insurances, fire and Health & Safety. The outcome of these assessments is reported to the Trustees by the Chief Executive. The Safeguarding, Health and Safety, Cash Handling, Legionella and Fire Risk Assessments are translated into operating policies which are available to all employees, together with all the other policy documents, on the Charity's website. Employees at every level are encouraged to contribute to the continuous business of risk assessment through the Staff Meetings held every month.

Public Benefit - General Statement

The Trustees have established a policy to review continuously all the charity's activities and the development of services to ensure that they remain consonant with the requirements of the 2006 Charities Act, and particularly with Section 4 of the Act, (the need to demonstrate Public Benefit). The charity operates in partnership with statutory bodies in order to provide expertise, treatment and enhanced services to children with physical disabilities. It does not charge fees but receives about 40% of the total cost of the NHS services it provides from the Devon Clinical Commissioning Group (Devon CCG), and approximately 80% of the service costs provided to Devon County Council. Referrals to the service are made by Local Authorities and medical professionals, all service-appropriate referrals are seen for assessment and the majority of assessed referrals are retained for treatment or given a place in the school. The referral process, whether as a therapy outpatient or potential school pupil, is not controlled by the charity but by Devon CCG and Devon County Council. A school placement or therapy intervention might be deemed inappropriate at the assessment stage but only for reasons that are cogent, demonstrable and compliant with benchmarked national practice. The charity is as public a body as its statutory partners, and enters into no private arrangements for individual treatment. No member of the public is denied the services provided by the charity provided those services are assessed to be suitable and appropriate for the individual concerned.

REFERENCE AND ADMINISTRATIVE DETAILS

As shown on page 1.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Devon & Exeter Spastics Society for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

Devon & Exeter Spastics Society

Report of the Trustees
for the Year Ended 31 March 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Kirk Hills, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13 November 2021 and signed on the board's behalf by:

J Tolman-May - Trustee

Report of the Independent Auditors to the Members of Devon & Exeter Spastics Society

Opinion

We have audited the financial statements of Devon & Exeter Spastics Society (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

We have nothing to report in respect of the following matters where 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
- 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.

Report of the Independent Auditors to the Members of
Devon & Exeter Spastics Society

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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.

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Devon & Exeter Spastics Society

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with the chief executive and other management, and from our knowledge and experience of the charity, education and health sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries management, reviewing correspondence with industry regulators, and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators, and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the chief executive and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Report of the Independent Auditors to the Members of
Devon & Exeter Spastics Society

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.

Adrian Hills ACA (Senior Statutory Auditor)
for and on behalf of Kirk Hills
Chartered Accountants and Statutory Auditors
5 Barnfield Crescent
Exeter
Devon
EX1 1QT

17 December 2021

Devon & Exeter Spastics Society

Statement of Financial Activities
for the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	64,448	10,333	74,781	114,668
Charitable activities	5				
School contracts		1,251,581	-	1,251,581	1,024,078
Health contract		1,034,586	-	1,034,586	1,055,027
Assessment centre		155,725	-	155,725	155,725
Optech		-	-	-	1,588
Other		10,483	-	10,483	11,212
Other trading activities	3	10,037	-	10,037	15,280
Investment income	4	1,289	-	1,289	5,675
Other income		4,000	-	4,000	3,000
Total		2,532,149	10,333	2,542,482	2,386,253
EXPENDITURE ON					
Raising funds	6	51,905	-	51,905	49,460
Charitable activities	7				
School contracts		1,034,106	36,046	1,070,152	965,092
Health contract		805,846	12,792	818,638	736,779
Assessment centre		80,675	-	80,675	81,413
Optech		30,772	-	30,772	31,462
Other		133,895	-	133,895	105,106
Other		22,806	-	22,806	18,569
Total		2,160,005	48,838	2,208,843	1,987,881
NET INCOME/(EXPENDITURE)		372,144	(38,505)	333,639	398,372
RECONCILIATION OF FUNDS					
Total funds brought forward		5,861,183	1,091,225	6,952,408	6,554,036
TOTAL FUNDS CARRIED FORWARD		6,233,327	1,052,720	7,286,047	6,952,408

The notes form part of these financial statements

Devon & Exeter Spastics Society

Balance Sheet
31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	13	4,137,336	1,044,311	5,181,647	5,106,339
CURRENT ASSETS					
Stocks	14	4,708	-	4,708	5,365
Debtors	15	40,236	-	40,236	67,452
Cash at bank		2,109,492	8,409	2,117,901	1,840,791
		2,154,436	8,409	2,162,845	1,913,608
CREDITORS					
Amounts falling due within one year	16	(58,445)	-	(58,445)	(67,539)
NET CURRENT ASSETS		2,095,991	8,409	2,104,400	1,846,069
TOTAL ASSETS LESS CURRENT LIABILITIES		6,233,327	1,052,720	7,286,047	6,952,408
NET ASSETS		6,233,327	1,052,720	7,286,047	6,952,408
FUNDS	18				
Unrestricted funds				6,233,327	5,861,183
Restricted funds				1,052,720	1,091,225
TOTAL FUNDS				7,286,047	6,952,408

The financial statements were approved by the Board of Trustees and authorised for issue on 13 November 2021 and were signed on its behalf by:

J Tolman-May - Trustee

Devon & Exeter Spastics Society

Cash Flow Statement
for the Year Ended 31 March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	526,653	553,739
Net cash provided by operating activities		526,653	553,739
Cash flows from investing activities			
Purchase of tangible fixed assets		(256,423)	(350,579)
Sale of tangible fixed assets		2,989	255
Interest received		1,289	5,675
Net cash used in investing activities		(252,145)	(344,649)
Change in cash and cash equivalents in the reporting period		274,508	209,090
Cash and cash equivalents at the beginning of the reporting period	2	1,840,791	1,631,701
Cash and cash equivalents at the end of the reporting period	2	2,115,299	1,840,791

The notes form part of these financial statements

Devon & Exeter Spastics Society

Notes to the Cash Flow Statement
for the Year Ended 31 March 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
	31.3.21		31.3.20
	£		£
Net income for the reporting period (as per the Statement of Financial Activities)	333,639		398,372
Adjustments for:			
Depreciation charges	178,125		158,337
Interest received	(1,289)		(5,675)
Decrease in stocks	657		7,229
Decrease/(increase) in debtors	27,216		(8,067)
(Decrease)/increase in creditors	(11,695)		3,543
Net cash provided by operations	526,653		553,739
2. ANALYSIS OF CASH AND CASH EQUIVALENTS			
	31.3.21		31.3.20
	£		£
Notice deposits (less than 3 months)	2,117,901		1,840,791
Overdrafts included in bank loans and overdrafts falling due within one year	(2,602)		-
Total cash and cash equivalents	2,115,299		1,840,791
3. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
Net cash			
Cash at bank	1,840,791	277,110	2,117,901
Bank overdraft	-	(2,602)	(2,602)
	1,840,791	274,508	2,115,299
Total	1,840,791	274,508	2,115,299

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Devon & Exeter Spastics Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are presented in sterling (£).

Preparation of the accounts on a going concern basis

The Charity continues to rely on the Service Led Agreement with Devon County Council and the new CCG, as set out in the Trustees' Report. Based on information received to date, the Trustees have no reason to believe this support will not continue. These accounts have therefore been prepared on a going concern basis.

Fund Accounting

Funds held by the charity are either:

Unrestricted general funds - these are funds which can be used at the discretion of the trustees in the furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the re-statement of the property at market value.

Restricted funds - these are funds that can only be used for the particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Income

All income is included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the income have been met and it is probable that the income will be received and the amount can be measured reliably.

Donations, gifts, and grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either; the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the School that a distribution will be made, or when a distribution is received from the estate.

Investment income is included when receivable.

The value of services provided by volunteers has not been included in these accounts. Further details of the contribution made by volunteers can be found in the trustees' annual report.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis, inclusive of Value Added Tax which cannot be recovered. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Raising funds are primarily those costs incurred in attracting donations, gifts and grants and also the costs associated with other trading activities.

Devon & Exeter Spastics Society

Notes to the Financial Statements - continued **for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES - continued

Expenditure

Charitable activities expenditure comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The charity does not make any charge for capital costs to any of its principal customers.

Other costs include those costs associated with meeting the constitutional and statutory requirements of the charity, and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between expenditure categories on the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, e.g. time, floor area, per capita or estimate of usage, as set out in the notes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 5% on cost
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or items costing less than £100 are not capitalised.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling cost in bringing stocks to their present location and condition.

Taxation

The company is a registered charity and will be exempt from taxation as long as it remains within the terms laid down by the Charity Commission.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

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.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements;

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated lives. Asset residual values and useful lives are based on estimates and judgements and are reviewed and adjusted if necessary.

Pensions

Teaching staff employed by the charity are eligible for membership of the Teachers' Pension Scheme, which is a national, statutory contributory, unfunded defined benefit scheme administered by the Teachers' Pension Agency, an executive agency of the Department for Education and Employment. Pension costs are accessed in accordance with the advice of the Government Actuary. The scheme is guaranteed by the government and therefore there will be no liability to the Charity.

The charity has arranged two defined contribution pension schemes for those members who are not eligible to join the Teachers' Pension Scheme. The assets of these schemes are held separately from those of the Charity, being invested with insurance companies.

The Charity has another defined contributions pension scheme, which was set up to comply with the Government legislation for compulsory pensions in the work place.

All three of these defined Pension Schemes are operated by insurance companies, the employees contract directly with the insurance company. The Charity acts as agent in collecting and paying over pension contributions. There will be no liability to the Charity.

Pension costs charged in the Statement of Financial Activities represent the contributions payable by the Charity in the year for the defined benefit scheme and the three defined contribution pension schemes. All four schemes are funded by contributions from employee and employer.

Donated Services and goods

Donated professional services and goods are recognised as income when the charity has control over the item, any conditions associated with the donated items have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated professional services and donated goods are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or goods of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity.

Devon & Exeter Spastics Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

2. DONATIONS AND LEGACIES

	31.3.21	31.3.20
	£	£
Membership	458	163
Donations and grants	23,137	105,368
Legacies	51,186	9,137
	74,781	114,668

3. OTHER TRADING ACTIVITIES

	31.3.21	31.3.20
	£	£
Fundraising events	2,399	3,950
Rents received	7,058	7,003
Courses	580	4,327
	10,037	15,280

4. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Bank interest	1,289	5,675

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.21	31.3.20
	Activity	£	£
Vranch House School	School contracts	1,251,581	1,024,078
Vranch House Centre	Health contract	1,034,586	1,055,027
Assessment Centre	Assessment centre	155,725	155,725
Optech	Optech	-	1,588
Other Charitable activities	Other	10,483	11,212
		2,452,375	2,247,630

6. RAISING FUNDS

Raising donations and legacies

	31.3.21	31.3.20
	£	£
Staff costs	47,662	44,893
Society administration	1,905	1,790
Office costs	1,275	1,775
Fundraising	1,063	1,002
	51,905	49,460

Devon & Exeter Spastics Society

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £
School contracts	1,070,152
Health contract	818,638
Assessment centre	80,675
Optech	30,772
Other	133,895
	<u>2,134,132</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.21 £	31.3.20 £
Depreciation - owned assets	178,126	158,337
Auditor's remuneration - external audit	6,200	6,182
Auditor's remuneration - other services	2,282	2,268
	<u>186,608</u>	<u>166,787</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

10. STAFF COSTS

Analysis of staff costs;

	31.03.21	31.03.20
Wages	1,430,414	1,333,449
Social Security	114,571	107,283
Pension	102,113	79,927
	<u>1,647,098</u>	<u>1,520,659</u>

The average monthly number of employees during the year was as follows:

	31.3.21	31.3.20
Chief Executive	1	1
Vranch House School	45	41
Health Contract	31	30
Other Charitable activities	9	9
Fundraising	-	1
	<u>86</u>	<u>82</u>

Devon & Exeter Spastics Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

10. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.21	31.3.20
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-
£90,001 - £100,000	-	1
	2	3

The multiple between the lowest and highest paid at Vranth House is just 5.

The Charity considers its key management personnel comprise of the Chief Executive & Head of Therapies, Head of Education and the Business Support Manager .

The total employment costs (salary, employers NIC and pension) for the key management personnel was £242,775 (2020:£273,049).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	41,115	73,553	114,668
Charitable activities			
School contracts	1,024,078	-	1,024,078
Health contract	1,055,027	-	1,055,027
Assessment centre	155,725	-	155,725
Optech	1,588	-	1,588
Other	11,212	-	11,212
Other trading activities	15,280	-	15,280
Investment income	5,675	-	5,675
Other income	3,000	-	3,000
Total	2,312,700	73,553	2,386,253
EXPENDITURE ON			
Raising funds	49,460	-	49,460
Charitable activities			
School contracts	925,096	39,996	965,092
Health contract	722,976	13,803	736,779
Assessment centre	81,413	-	81,413
Optech	31,462	-	31,462
Other	105,106	-	105,106
Other	18,569	-	18,569
Total	1,934,082	53,799	1,987,881
NET INCOME	378,618	19,754	398,372
RECONCILIATION OF FUNDS			
Total funds brought forward	5,482,565	1,071,471	6,554,036

Devon & Exeter Spastics Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	5,861,183	1,091,225	6,952,408

12. PENSION CONTRIBUTIONS

The employer's contributions made to the Teachers' Pension Scheme - which is a defined benefit scheme - in 2021 were £42,661 (2020:£41,602). The contributions made to the Prudential Pension Scheme - which is a money purchase scheme - in 2021 were £46,361 (2020:£48,936). The employer's contribution made to NEST Pension Scheme, which is also a money purchase scheme - in 2021 were £9,824 (2020:£8,203). The employer's contribution made to the Old Mutual Wealth Pension Scheme - which is also a money purchase scheme - in 2021 £1,967 (2020:£3,372).

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST					
At 1 April 2020	5,426,183	345,183	786,150	78,946	6,636,462
Additions	-	235,873	7,050	13,500	256,423
Disposals	-	-	(659)	(11,312)	(11,971)
At 31 March 2021	5,426,183	581,056	792,541	81,134	6,880,914
DEPRECIATION					
At 1 April 2020	824,025	21,657	612,794	71,647	1,530,123
Charge for year	108,524	29,053	36,020	4,529	178,126
Eliminated on disposal	-	-	(354)	(8,628)	(8,982)
At 31 March 2021	932,549	50,710	648,460	67,548	1,699,267
NET BOOK VALUE					
At 31 March 2021	4,493,634	530,346	144,081	13,586	5,181,647
At 31 March 2020	4,602,158	323,526	173,356	7,299	5,106,339

The cost of freehold property is £3,306,988 (2020 : £3,306,988). The property was revalued in March 2012, the revaluation uplift was £2,119,195.

The Trustees had the land and buildings valued by John Daborn FRICS, Drew Pearce, Exeter in March 2016. The valuation of £5,490,000 was made on a Depreciated Replacement Cost basis assuming that all ongoing works had been completed. This valuation has not been reflected in the accounts.

Devon & Exeter Spastics Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

14. STOCKS

	31.3.21	31.3.20
	£	£
Stocks	4,708	5,365

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade debtors	24,555	36,318
Other debtors	-	20,000
Prepayments	15,681	11,134
	40,236	67,452

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Bank loans and overdrafts (see note 17)	2,602	-
Trade creditors	18,340	27,994
Social security and other taxes	26,099	27,182
Other creditors	2,854	3,913
Accrued expenses	8,550	8,450
	58,445	67,539

17. LOANS

An analysis of the maturity of loans is given below:

	31.3.21	31.3.20
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	2,602	-

18. MOVEMENT IN FUNDS

	At 1.4.20	Net	Transfers	At
	£	movement	between	31.3.21
		in funds	funds	£
		£	£	
Unrestricted funds				
General fund	3,741,988	372,144	-	4,114,132
Revaluation reserve	2,119,195	-	-	2,119,195
	5,861,183	372,144	-	6,233,327
Restricted funds				
Fixed Asset Fund	1,091,080	(47,568)	799	1,044,311
Training Fund	145	-	-	145
Accessible Living Suite Fund	-	1,838	(799)	1,039
Outdoor Area Fund	-	1,122	-	1,122
Minibus Fund	-	6,103	-	6,103
	1,091,225	(38,505)	-	1,052,720
TOTAL FUNDS	6,952,408	333,639	-	7,286,047

Devon & Exeter Spastics Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,532,149	(2,160,005)	372,144
Restricted funds			
Fixed Asset Fund	-	(47,568)	(47,568)
Accessible Living Suite Fund	2,108	(270)	1,838
Musical Fund	1,000	(1,000)	-
Outdoor Area Fund	1,122	-	1,122
Minibus Fund	6,103	-	6,103
	10,333	(48,838)	(38,505)
TOTAL FUNDS	2,542,482	(2,208,843)	333,639

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	3,363,370	378,618	3,741,988
Revaluation reserve	2,119,195	-	2,119,195
	5,482,565	378,618	5,861,183
Restricted funds			
Fixed Asset Fund	1,071,326	19,754	1,091,080
Training Fund	145	-	145
	1,071,471	19,754	1,091,225
TOTAL FUNDS	6,554,036	398,372	6,952,408

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,312,700	(1,934,082)	378,618
Restricted funds			
Fixed Asset Fund	73,553	(53,799)	19,754
TOTAL FUNDS	2,386,253	(1,987,881)	398,372

Devon & Exeter Spastics Society

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General fund	3,363,370	750,762	-	4,114,132
Revaluation reserve	2,119,195	-	-	2,119,195
	5,482,565	750,762	-	6,233,327
Restricted funds				
Fixed Asset Fund	1,071,326	(27,814)	799	1,044,311
Training Fund	145	-	-	145
Accessible Living Suite Fund	-	1,838	(799)	1,039
Outdoor Area Fund	-	1,122	-	1,122
Minibus Fund	-	6,103	-	6,103
	1,071,471	(18,751)	-	1,052,720
TOTAL FUNDS	6,554,036	732,011	-	7,286,047

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,844,849	(4,094,087)	750,762
Restricted funds			
Fixed Asset Fund	73,553	(101,367)	(27,814)
Accessible Living Suite Fund	2,108	(270)	1,838
Musical Fund	1,000	(1,000)	-
Outdoor Area Fund	1,122	-	1,122
Minibus Fund	6,103	-	6,103
	83,886	(102,637)	(18,751)
TOTAL FUNDS	4,928,735	(4,196,724)	732,011

Purposes of Restricted Funds

Accessible Living Suite Fund

This fund represents a grant to adapt an existing teaching space to enable children and young people to exercise control over this environment using WiFi enable devices. Not all of the fund was spent by the year end, the remaining balance will be spent in the current year to complete the project.

Music Fund

£1,000 was received in the year to cover the costs of musical instruments, this was fully spent in the year.

Outdoor Area Fund

This fund represents donations received in the year towards the Outdoor Area project, the balance on the fund has been carried forward until the full amount for the project has been raised.

Minibus Fund

This fund represents donations received in the year towards the purchase of a new minibus, the balance on the fund has been carried forward until the full amount for the minibus has been raised.

Devon & Exeter Spastics Society

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

18. MOVEMENT IN FUNDS - continued

Training Fund

This fund represents a donation to cover the cost of training for one of the physiotherapists, due to a course being cancelled the fund balance is being carried forward to be used next year.

Fixed Asset Fund

This represents equipment purchased for the Physiotherapy Department and touch screens for the School using a restricted income fund. It also includes part of the cost of the Taverners minibus, and Outdoor trail. Part of the costs of the ICT Building and the Big Build and equipment for the Centre and further costs of the building the new Assessment Centre were added. Costs of the Hydro Pool have been added too. In the year to 31 March 2018 two large donations were received one from The Clare Milne Trust and the other from Ben Neary for the purchase of an Innwalk. In 2019 there was one large donation was received from The Clare Milne Trust to assist with the property improvements carried out in relation to the 3 year capital project. In the year to 31 March 2020 one large donation was received to cover the purchase of two Innwalks.

The value of this fund will be depreciated over time.

19. CAPITAL COMMITMENTS

	31.3.21	31.3.20
	£	£
Contracted but not provided for in the financial statements	-	-
	<u> </u>	<u> </u>

Authorised by the Board but not contracted for £nil (2020: £400,000).

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021 other than remuneration.

21. FINANCIAL INSTRUMENTS

Financial assets

Debt instruments measured at amortised cost £24,555 (2020: £56,318).

Financial liabilities

Measured at amortised cost £22,734 (2020: £30,794).

22. GENERAL INFORMATION

The company, in common with other Charities of a similar size and organisation, derives some of its income from voluntary donations and fundraising activities. These cannot be fully controlled until they are entered into the accounting records.

The trading address of the company can be found on page 1 of the financial statements.

Devon & Exeter Spastics Society

Detailed Statement of Financial Activities
for the Year Ended 31 March 2021

	31.3.21 £	31.3.20 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Membership	458	163
Donations and grants	23,137	105,368
Legacies	51,186	9,137
	74,781	114,668
Other trading activities		
Fundraising events	2,399	3,950
Rents received	7,058	7,003
Courses	580	4,327
	10,037	15,280
Investment income		
Bank interest	1,289	5,675
Charitable activities		
Vranch House School	1,251,581	1,024,078
Vranch House Centre	1,034,586	1,055,027
Assessment Centre	155,725	155,725
Optech	-	1,588
Other Charitable activities	10,483	11,212
	2,452,375	2,247,630
Other income		
Other income	4,000	3,000
	2,542,482	2,386,253
Total incoming resources		
	2,542,482	2,386,253
EXPENDITURE		
Raising donations and legacies		
Wages	47,662	44,893
Society administration	1,905	1,790
Office costs	1,275	1,775
Fundraising	1,063	1,002
	51,905	49,460
Charitable activities		
Wages	1,795,649	1,592,320
Cleaning	37,882	33,847
Health	8,153	9,046
Meals	8,444	6,251
Office costs	14,822	17,928
Optech	7	9,818
Professional charges	1,427	540
School costs	12,061	21,861
Carried forward	1,878,445	1,691,611

This page does not form part of the statutory financial statements

Devon & Exeter Spastics Society

Detailed Statement of Financial Activities
for the Year Ended 31 March 2021

	31.3.21 £	31.3.20 £
Charitable activities		
Brought forward	1,878,445	1,691,611
Society admin	16,424	16,289
Travel costs	5,987	9,359
Establishment costs	53,138	42,892
Grounds	2,013	1,364
Plant and machinery	178,125	158,337
	2,134,132	1,919,852
Other		
Wages	9,509	9,885
Professional charges	13,157	8,450
Society admin	13	13
Office costs	127	221
	22,806	18,569
Total resources expended	2,208,843	1,987,881
Net income	333,639	398,372