

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

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 Vranth 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 Vbranch 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 Vbranch 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 Vranth House School, the review of pupil development and the delivery of clinical therapies at Vranth 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 Vranth 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 Vranth House site. It is worth noting that the children at Vranth 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					
School contracts	5	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					
School contracts	7	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					
Unrestricted funds	18			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	<u>526,653</u>	<u>553,739</u>
Net cash provided by operating activities		<u>526,653</u>	<u>553,739</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(256,423)	(350,579)
Sale of tangible fixed assets		2,989	255
Interest received		<u>1,289</u>	<u>5,675</u>
Net cash used in investing activities		<u>(252,145)</u>	<u>(344,649)</u>
Change in cash and cash equivalents in the reporting period		<u>274,508</u>	<u>209,090</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>1,840,791</u>	<u>1,631,701</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>2,115,299</u></u>	<u><u>1,840,791</u></u>

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
		£	£
	Net cash		At 31.3.21
	Cash at bank	1,840,791	2,117,901
	Bank overdraft	-	(2,602)
		1,840,791	2,115,299
	Total	1,840,791	2,115,299

The notes form part of these financial statements

Devon & Exeter Spastics Society

Notes to the Financial Statements **for the Year Ended 31 March 2021**

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.

Devon & Exeter Spastics Society

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
		<u>74,781</u>	<u>114,668</u>
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
		<u>10,037</u>	<u>15,280</u>
4. INVESTMENT INCOME		31.3.21	31.3.20
		£	£
Bank interest		1,289	5,675
		<u>1,289</u>	<u>5,675</u>
5. INCOME FROM CHARITABLE ACTIVITIES		31.3.21	31.3.20
		£	£
Vranch House School	Activity	1,251,581	1,024,078
Vranch House Centre	School contracts	1,034,586	1,055,027
Assessment Centre	Health contract	155,725	155,725
Optech	Assessment centre	-	1,588
Other Charitable activities	Optech	10,483	11,212
	Other	<u>2,452,375</u>	<u>2,247,630</u>
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
		<u>51,905</u>	<u>49,460</u>

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
	2,134,132

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
	286,608	166,787

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
	1,647,098	1,520,659

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
	86	82

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
	2	3

The multiple between the lowest and highest paid at Vbranch 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	<u>5,861,183</u>	<u>1,091,225</u>	<u>6,952,408</u>

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	<u>5,426,183</u>	<u>581,056</u>	<u>792,541</u>	<u>81,134</u>	<u>6,880,914</u>
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	<u>932,549</u>	<u>50,710</u>	<u>648,460</u>	<u>67,548</u>	<u>1,699,267</u>
NET BOOK VALUE					
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>
At 31 March 2020	<u>4,602,158</u>	<u>323,526</u>	<u>173,356</u>	<u>7,299</u>	<u>5,106,339</u>

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
		<u> </u>	<u> </u>
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
		<u> </u>	<u> </u>
		40,236	67,452
		<u> </u>	<u> </u>
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
		<u> </u>	<u> </u>
		58,445	67,539
		<u> </u>	<u> </u>
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	-
		<u> </u>	<u> </u>
18. MOVEMENT IN FUNDS			
		Net	Transfers
	At 1.4.20	movement	between
	£	in funds	funds
		£	£
	At 31.3.21		At
	£		31.3.21
			£
	Unrestricted funds		
	General fund	372,144	-
	Revaluation reserve	-	-
		<u> </u>	<u> </u>
		5,861,183	6,233,327
	Restricted funds		
	Fixed Asset Fund	(47,568)	799
	Training Fund	-	-
	Accessible Living Suite Fund	1,838	(799)
	Outdoor Area Fund	1,122	-
	Minibus Fund	6,103	-
		<u> </u>	<u> </u>
		1,091,225	1,052,720
		<u> </u>	<u> </u>
	TOTAL FUNDS	6,952,408	7,286,047
		<u> </u>	<u> </u>

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
	<u>10,333</u>	<u>(48,838)</u>	<u>(38,505)</u>
TOTAL FUNDS	<u><u>2,542,482</u></u>	<u><u>(2,208,843)</u></u>	<u><u>333,639</u></u>

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
	<u>5,482,565</u>	<u>378,618</u>	<u>5,861,183</u>
Restricted funds			
Fixed Asset Fund	1,071,326	19,754	1,091,080
Training Fund	145	-	145
	<u>1,071,471</u>	<u>19,754</u>	<u>1,091,225</u>
TOTAL FUNDS	<u><u>6,554,036</u></u>	<u><u>398,372</u></u>	<u><u>6,952,408</u></u>

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	<u><u>2,386,253</u></u>	<u><u>(1,987,881)</u></u>	<u><u>398,372</u></u>

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
	<u>5,482,565</u>	<u>750,762</u>	<u>-</u>	<u>6,233,327</u>
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
	<u>1,071,471</u>	<u>(18,751)</u>	<u>-</u>	<u>1,052,720</u>
TOTAL FUNDS	<u><u>6,554,036</u></u>	<u><u>732,011</u></u>	<u><u>-</u></u>	<u><u>7,286,047</u></u>

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
	<u>83,886</u>	<u>(102,637)</u>	<u>(18,751)</u>
TOTAL FUNDS	<u><u>4,928,735</u></u>	<u><u>(4,196,724)</u></u>	<u><u>732,011</u></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.

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
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