



Making the difference

Trustees' Report

November 2023

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.

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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.

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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

Dr R Tomlinson

Mrs S Tutinas

(Resigned 9 April 2023)

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.

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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.

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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.