

Trustees Annual Report & Audited Accounts 2019-20

Kris Murali
Vice Chair of the Board
Chair of The Plans and Resources
Committee

Financial highlights for the year 2019-20

Income £104.0m (2018-19: £99.8)


Expenditure £103.5m (2018-19: £97.1)

Surplus for the year £1.0m (2018-19: £2.7)

Cash position £12.8 (2018-19: £15.1)

Total assets £39.2 (2018-19: £34.9)

Key Financial Challenges

- Increases in staff and related costs to keep up with increases in the living wage, competitors and local economic pressures
 - Continuing pressure from funding authorities in relation to the fees they pay for placements in our schools and services
 - Fundraising environment remains challenging
 - Adjusting to the Covid-19 Pandemic
 - Resulting pressures on corporate services such as marketing, IT, Finance and HR to provide services to the business at a lower cost
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Key financial questions

1) Enough cash?



2) Enough reserves?



3) Profitable? Solvent?



4) Accurate accounts?

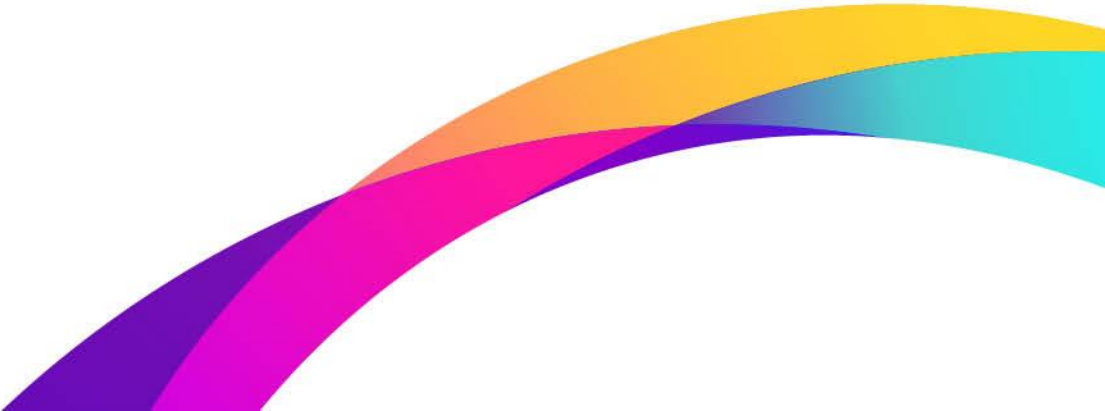


Are we happy with our position? And are we solvent?

Yes, after subtracting:

- Restricted funds, NAS Academies Trust and changes in our pension balance sheet liabilities
- We had a loss of £4.7m in 2019/20, but this included spend of £2.1m from funds Trustees designated at the end of 2018/19 on planned investments including the digital transformation programme and improving our website
- We are confident we will continue to be solvent:
- Management have developed a programme of activities to address the deficit in our funding model and have launched a series of efficiency improvement projects starting in 20/21 and continuing into 21/22

Cash Balance & Reserves

- We have a cash balance of £12.2 million (2.2m decline from last year)
 - There are constant pressures on our cash, but cashflow is monitored constantly
 - Our general free reserves are £6.0 million
 - Designated funds (free funds we have put aside for earmarked projects) are £2.3m
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Financial Accuracy & Solvency

Accuracy:

- Prepared by our professionally qualified team
- Reviewed by the senior management team
- Externally audited by Crowe UK LLP
- No matters to bring to attention of the Trustees
- Scrutinised by Audit and Risk Committee
- Approved by the full Board of Trustees

Solvency

- NAS is solvent and has adequate funds to carry on its operations.

Looking forward

- Fees for education and care services are not rising with inflation and the increased pressures of staff costs as well as trying to retain staff.
- Fundraising – continue to compete with cancer, animals, children’s charities
- We can’t afford to do everything.
- We have to make difficult choices every year between, for example:
 - Improving quality of current services
 - Paying living wage to staff & Staff Training
 - Refurbishing properties
 - Modernising IT systems
 - Investing in fundraising and charitable trading
 - Extending our reach & Increasing public understanding of autism

Summary



A robust financial performance given funding constraints



***We are proud of the difference we make,
transforming lives and changing attitudes***