

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

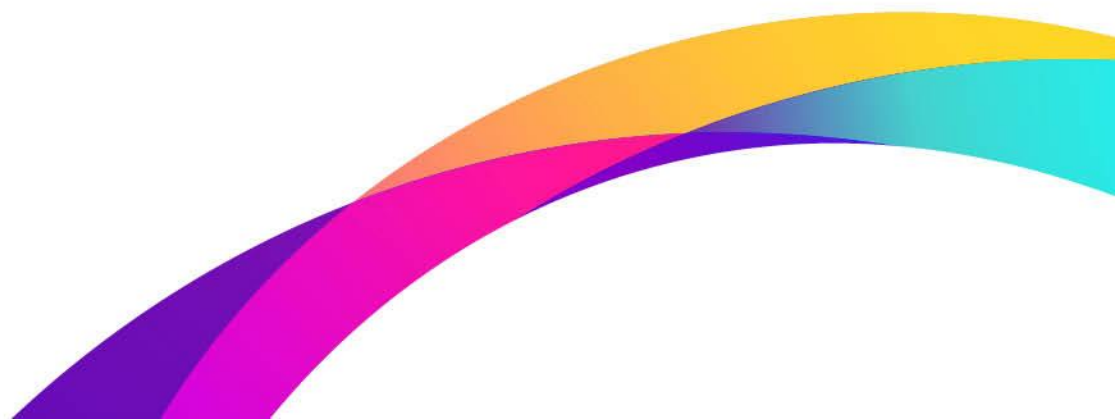
Income £104.0m (2018-19: £99.8)

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
- 
- Decorative curved lines in purple, pink, orange, and yellow at the bottom right of the slide.

Key financial questions

1) Enough cash?



2) Enough reserves?



3) Profitable? Solvent?



4) Accurate accounts?

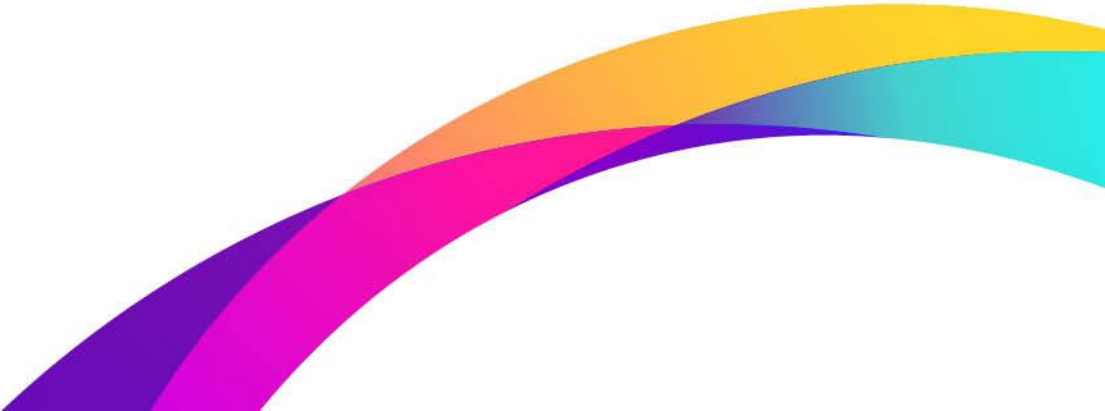


Are we happy with our position? And are we solvent?

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
- 
- A decorative graphic at the bottom of the slide consisting of several overlapping, curved bands of color in a rainbow spectrum: purple, magenta, pink, orange, yellow, and light blue.

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***