

# Trustees' Report & Consolidated Annual Accounts 2019/2020

Year Ended 31 August 2020



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WESC Foundation

Trustees' Report and Annual Accounts for the year ended 31 August 2020

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# Introductions

## **From Christopher Knee, Chair of the Trustees**

Thank you for reading our annual report and accounts for 2019/2020.

We launched our new strategic plan (2019-2024) at the beginning of the 2019-2020 year. With it came the clarity and focus needed to shape the future development of our site and expansion of our provision. We also set the direction of the organisation in order to address the shortcomings highlighted by Ofsted during the previous year.

Nobody could have foreseen the effect of the COVID-19 pandemic around the world. Here at WESC Foundation we felt its impact on some of our commercial and fundraising activity, and had to find new ways of delivering our charity's core services. Our team of staff worked tirelessly in the most exceptional of circumstances to continue to provide the very best care and support to our young people.

The need for innovation during lockdown has accelerated change in some of our areas of strategic focus. Whilst there are clearly challenges in the months ahead, we are confident that we have ended the first year of our new strategic plan in a good place, and with a positive outlook on the year ahead.

## **From Jane Bell, Chief Executive Officer**

Throughout this Trustees' report we reflect on a year like no other.

Who could have predicted that during the year we would be facing a global pandemic? There have been significant demands on ensuring we continued to provide a safe learning environment. Despite this we have continued to make significant progress against our 2019-2024 strategic objectives.

During the year our St David's House provision has been recognised as being 'Outstanding' during a routine CQC inspection. CQC loved the "happy, engaging and lively atmosphere in the home" and recognise the amazing work being done by our team there.

Significant progress has been made in developing our campus, as renovations in our accommodation continue.

We also thought of new and imaginative ways to continue to come together as a community, making the most of new technology to gather together online.

At the time of writing this Trustees' report we have already received Ofsted assurance visits for our Residential Care, School and College. Whilst no visits were graded, they have recognised the improvements we have made since our last inspection.

I am immensely proud of how the WESC Foundation community have reacted to the ever-changing requirements asked of them during the last year and what has been achieved

## **Report of the Trustees for the year ending 31<sup>st</sup> August 2020**

The board of Trustees of WESC Foundation present their annual report and audited accounts for the year ended 31<sup>st</sup> August 2020 and confirm that they comply with the requirements of the Charities Act 2011 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) – (Charities SORP (FRS 102)).

The Trustees confirm that they have complied with the duty imposed on them by s17(5) of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

### **Objectives and Activities**

WESC Foundation is a registered charity (registered number 1058937) which was registered on 30<sup>th</sup> October 1996. Originally set up as a school for blind people, the organisation has been in existence in one form or another since 1838. The organisation changed its name from The West of England School for Children with Little or No Sight in October 2012 to reflect the widening of its services beyond its traditional activities of providing a School and College. WESC Foundation is a company limited by guarantee and was incorporated on 18<sup>th</sup> June 2009.

The objects of the Foundation are the relief of persons with a visual or other sensory impairment (whether this is a physical or cognitive impairment) by:

- Supporting the education and training of persons with a visual or other sensory impairment by such means as the Trustees think fit including (but not limited to) the provision of a school and further education college;
- Providing care for persons with a visual or other sensory impairment and support for them to live independently in the community;
- Supporting the employment of persons with a visual or other sensory impairment.

# About our Charity

## Introduction

Children and young adults with complex needs and visual impairment often face barriers to learning, living and taking an active, independent place in society.

WESC Foundation provides the specialist expertise, equipment and adapted facilities to inspire, challenge and empower these young people from across the UK to live their best lives.

We fight to make sure that they can take their place in a society that values them for their contribution and supports their rights and independence.

## Our services

WESC Foundation offers a range of educational, care and support services to young people and adults with visual impairment and complex needs.

Our services include:

### Education provision

We operate an independent special School (5-16 yrs) and College (16-25 yrs) offering:

- full time day and residential placements for a 38-week academic year in School and College
- part time or split placements in School or College
- additional (up to 14 weeks) residential support within a 52-week placement
- supported internships, work experience and work placements

### Adult care and support services

- full time nursing and residential care in St David's House, our on-site specialist adult care home
- off-site supported living services
- adult day support services for young adults living in the community.
- residential respite and short breaks

### Work placements and vocational training

We aim to give all the young people we support opportunities to access work and volunteering through:

- work experience and work placements for students and young people in the community, including in our own retail and horticulture enterprises, and in partnership with others
- Supported Internships that combine education, employability skills training and work experience as a steppingstone to paid employment or volunteering

## Therapy, mobility and health services

We offer specialist support from our in-house teams including:

- therapeutic services covering speech and language, physiotherapy, occupational therapy, music therapy and psychological support.
- mobility instruction and support from our specialist Rehabilitation Officer of the Visually Impaired (ROVI) team.
- health care support from our own nursing team, working together with local specialist visiting clinics and GP services.

## Our vision

A world where visually impaired young people with additional needs are able to take their place in society, where they are valued for their contribution and their rights and independence are supported.

## Our mission

WESC Foundation's mission is to empower children, young people and adults with visual impairment and additional needs to live fulfilling young and adult lives, through the delivery of a range of education, care and support services.

To succeed in our mission we will:

- provide outstanding services centred around our young people
- make best use of our specialist knowledge of visual impairment and complex needs
- work in partnership with others
- be a resilient, innovative and ambitious organisation and great employer

## Our operational values (how we operate as a staff team)

### Together everyone achieves more (TEAM)

By working together we achieve more for our young people and more as an organisation. We have more ideas and find better solutions when we combine our knowledge, skills and experience.

### Learning happens everywhere

We create an environment where learning happens all the time in all sorts of places and in all sorts of ways. Everyone has a role to play in supporting learning and helping our young people to progress.

### Even better if

We strive to improve and to do more and to do better for our young people. We take action where things fall below our expectations. We see challenge as a learning opportunity. Everyone contributes to quality.



Celebrate what you want to see more of

We value the efforts and achievements of others. We celebrate the good stuff and find joy in the wow moments. We nurture a culture where positivity, pro-activity, caring and kindness flourish between us all.

**Our community values (the things our young people feel are important to them)**

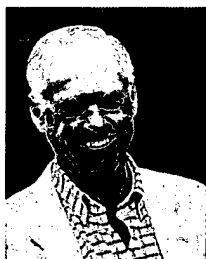
- The right support to learn and develop
- A sense of belonging
- Enjoyment and fun
- Respect and kindness



## Structure, Governance and Management

### Board of Trustees

The Board of Trustees is ordinarily made up of up to ten members and is responsible for the strategic direction and overall management and control of WESC Foundation. The Board of Trustees held formal meetings 6 times in the year ended 31 August 2020.



At the end of August 2020 WESC Foundation have 8 serving Trustees chaired by Chris Knee (pictured) who was appointed in January 2019.

During the year three Trustees resigned and we recruited two Trustees.

The board has two sub-committees which each met three times during the year. On each committee there are nominated Trustees and each committee is Chaired by a Trustee. The committees are:

The Education and Care Committee (chaired by Tracie Linehan, Trustee)

The Business Affairs Committee (chaired by Derek Fargher, Trustee)

In 2020/2021 we intend to include a third sub-committee which will focus on our adult care provision. This Adult Care Committee will be chaired by Angus McNicol.

Trustees are recruited through local advertising, informal networks and formal recruitment drives. They are appointed against a role description and through interview with Trustees and the Chief Executive.

Trustees actively engage in training which includes the mandatory safeguarding training. The Board of Trustees also have an annual development day reviewing their effectiveness and developing knowledge and skills.

Our Board of Trustees are:

- Chris Knee, Chair of Trustees
- Derek Fargher, Trustee, Chair of Business Affairs Committee
- Tracie Linehan, Trustee, Chair of Education and Care Committee
- Angus McNicol, Trustee, Chair of Adult Care Committee
- Andrew Leadbetter, Trustee
- Tim Williams, Trustee
- Carol Edworthy, Trustee
- Phil Stagg, Trustee

All Trustees give of their time freely and no remuneration was paid in the year. Expenses can be reimbursed. The Board of Trustees conduct their business in line with the Charity Commission Governance Code.

## Executive Team

The Board of Trustees delegates the operational management of WESC Foundation to its Chief Executive who works with an Executive team, as follows:

- Jane Bell, CEO
- Maureen Biss, Director of HR and Enterprise
- Jane Nutt, Director of Quality and Business Resources, Company secretary and Data Protection Officer
- Marc Phillips, Director of Care and Support Services
- Matthew Smith, Director of Education

There have been no changes in the Executive team during the year.

The CEO and Executive team are in attendance at the board meetings and at sub-committees. Each Committee has a link Executive who they work with to monitor, audit and improve their delegated areas of WESC Foundation business.

The PA to the CEO acts as Clerk to the Board.

## Staffing

At 31 August 2019 WESC Foundation was employing 235 staff (including 14 bank staff) (209.44 FTE). As is the case elsewhere in the care sector recruiting support staff remained a challenge despite a number of recruitment drives undertaken.

WESC Foundation is required by law to publish an annual gender pay gap report, based upon a snapshot date of 5th April annually.

The figures below have been calculated using the standard format required by legislation – the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This is WESC Foundation's report for the snapshot date of 5 April 2019.

**Mean Gender pay gap:** The difference between the mean hourly rate of pay of men and women is 15%

**Median Gender Pay Gap:** The difference between the median hourly rate of pay for men and women 5%.

No bonus payments are paid to WESC Foundation employees.

WESC Foundation's workforce consists of 73% female employees and 27% male employees which is representative of the care sector. You can also see the gender split within each "pay quartile" (rates of pay are placed into a list in order of value and the list is divided into four equal sections called quartiles):

- Upper Quartile: 63% Female, 37% Male
- Upper Middle Quartile: 74% Female, 26% Male

- Lower Middle Quartile: 71% Female, 29% Male
- Lower Quartile: 81% Female, 19% Male

We have 47% of female employees working on a part time basis compared to just 13% of males working part time.

WESC Foundation is committed to the principle of equal opportunities for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability.

We operate a performance related pay system; the aim of this system is to ensure that pay reflects performance. Our principles are to pay our staff a fair salary that is competitive with the charity sector, proportionate to the complexity of each role and responsibility and in line with our charitable objectives.

Through further analysis it is apparent that the increase in the mean and median gender pay gap is a result of family commitments. We remain confident that the gender pay gap does not stem from paying men and women differently for the same or equivalent work.

During 2019/20 we introduced new pay arrangements for care support staff to address the problems we were experiencing in recruitment and retention. These changes incentivised unsociable hours working and gave an uplift in pay to all those in this important area. By the end of the year this was having some impact on both the numbers of applicants and the skills level of those applying for roles, particularly in St David's House. It is hoped that this is a trend that will continue in to the new year.

This has been a challenging year for staff due to impacts of COVID-19, who have had to adapt working patterns in the light of the pandemic. Whilst WESC Foundation has been affected by some staff needing to isolate and others furloughed or shielding, in general there have been relatively low levels of sickness absence linked to the virus. New measures were put in place to protect staff from any financial impacts such as loss of wages for needing to shield or when following government guidance regarding self-isolation. In addition, those on furlough suffered no reduction in salary during this time. Whilst this decision has impacted on budgets it has shown staff that they are valued and has been well received. Staff have, as expected, shown a willingness to be flexible and have adapted well to the changes that we have made, often at short notice as guidance evolved.

## **WESC Enterprises**

WESC Foundation has a wholly owned subsidiary called WESC Enterprises. All trading that is not aligned with our core objectives is carried out by WESC Enterprises.

WESC Enterprises is chaired by Derek Fargher. As of the August 2020 the WESC Enterprises Board consists of:

- Derek Fargher - Trustee, Chair of WESC Enterprises
- Angus McNicol - Trustee
- Maureen Biss, Director of HR and Enterprise, WESC Foundation
- Jane Nutt- Director of Quality and Business Resources, Company secretary for WESC Foundation and for WESC Enterprises

This Trustee report is therefore a consolidated directors' report relating to WESC Foundation and its subsidiary WESC Enterprises. However, the greatest emphasis for this report is the activities of WESC Foundation as a charitable organisation.

## **Our Objectives 2019 to 2024**

Last year saw the end of the 2016-2019 strategic plan and progress against this was reviewed in last year's Trustees report. During the past five years WESC Foundation has extended its range of services to reflect that many of our young people will need ongoing specialist support to live a fulfilling adult life. In addition to the residential school and college, we have a specialist adult residential care centre, adult day services and supported living houses. We also have a pioneering social enterprise department, which enables our young people to access opportunities for work experience, work placements and supported internships.

WESC Foundation remain ambitious to use their specialist knowledge and expertise to support a greater number of young people to fulfil their best adult life.

### **Strengths, challenges and opportunities**

In preparing and planning the strategic plan for 2019-2024 we considered our strengths, challenges, and opportunities.

#### **Our strengths**

- A committed and energetic senior leadership team and an engaged Board of Trustees.
- Our specialist VI knowledge and how we use it to improve functional vision (through our unique curriculum and integrated approach to learning).
- Our ethos, values and commitment to our young people.
- The location and specialist facilities of our campus and other outdoor spaces.
- Specialist in-house teams of teaching, therapy, and care staff.
- A stable financial position.
- Our holistic and multidisciplinary approach.
- The extended range of services we offer and continuity of support post-education.
- Our work placement opportunities.
- Our links to research and innovation.

#### **Opportunities**

- We have the opportunity and potential to be an outstanding care and education provider for young people with visual impairment and complex needs and a leader in this field.
- Our specialist knowledge of VI, CVI and complex needs is a valuable asset that we could use in new ways, including offering specialist CVI and functional vision assessments to parents and others.
- We have very few direct competitors in the VI and complex needs sector so have a unique offer.
- There is growing demand for our adult services.
- Our work skills programmes are pioneering and could be extended to adults with visual impairment, using West Hill and our retail spaces.

- There are opportunities to expand our outreach into mainstream schools.
- We have known opportunities to fund our capital works programme.

#### Internal Challenges

- Our Ofsted ratings are low and safeguarding must be improved.
- The culture of the organisation is not sufficiently proactive.
- Our accommodation buildings are dated and need refurbishment.
- Space in classrooms for our complex students is limited and education space is divided over the campus.
- We find it difficult to recruit staff in our residential care services.
- We need to demonstrate greater effectiveness and value to our commissioners.
- Our VI specialist knowledge is held by a small number of people without sufficient succession planning.
- We are widely perceived as only a school/college and recognition of the WESC Foundation name is low.
- We have a small supporter base for fundraising.
- There is an inconsistent approach to managing performance and dealing with concerns.

#### External Challenges

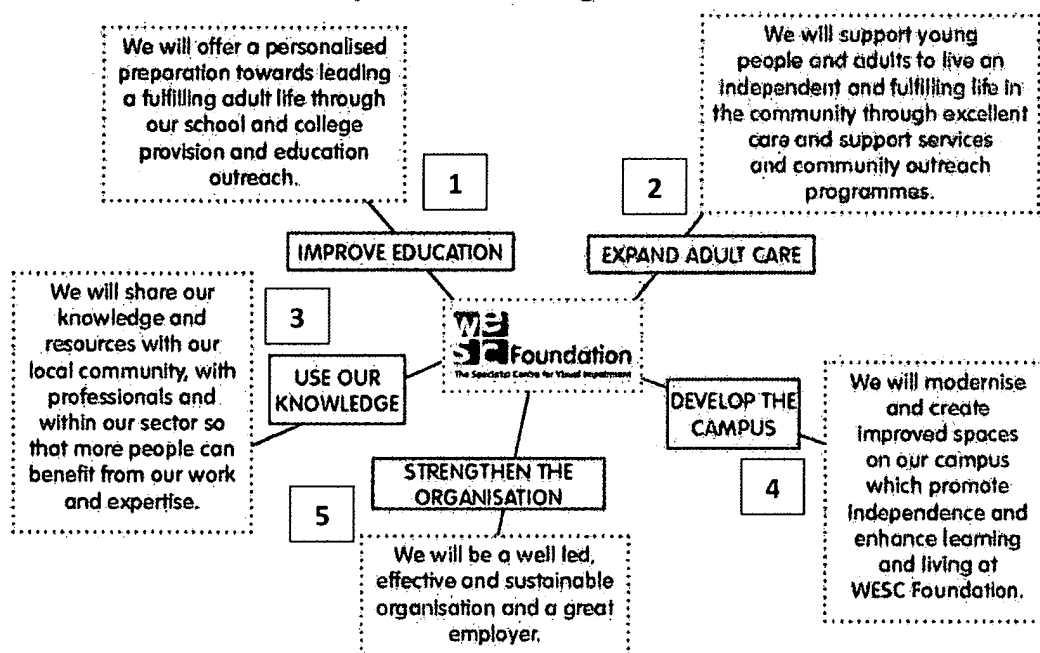
- There is a significant pressure on high needs SEN funding which may prevent placements with us.
- Local authorities may favour services within their local area and mainstream placements for young people with a visual impairment maybe a cheaper/more attractive alternative, even if they are do not offer specialist support.
- Recruitment into care roles is a crisis across the region.
- Competition from other providers developing some VI provision.
- Increasing regulation and contract compliance obligations with no increased revenue.
- The independent specialist schools and colleges sector can be viewed negatively.
- Some local authorities may not commission placements with providers who are not rated Good or above.

## Strategic Objectives 2019-2024

The 2019-2024 Strategic Plan sets out the ambitious plans for WESC Foundation and how we intend to grow our provisions.

The plan sets out how WESC Foundation will approach the challenges that the SEND sector faces, and how over the five years we will make sure we get the basics right, whilst still reaching towards innovation, improvement and expansion.

### Our 2019-2024 objectives at a glance



At the start of 2019/20 we considered our priorities to be:

- improving safeguarding (Objective 5)
- improving our residential special School to secure a rating of at least Requires Improvement, if not Good (Objective 1)
- ensuring our School and College are rated as Good (Objective 1)
- taking up leadership/influencer roles in the sector (Objective 5)
- trialling our paid for CVI Range assessment service (Objective 3)
- starting to design and fundraise for our new education centre (Objective 4)
- improving our education spaces (Objective 4)
- refurbishing Nell Arran (Objective 4)
- increasing visibility of the charity (Objective 3)
- reducing the level of staff vacancies (Objective 5)



However, we could not have anticipated the COVID pandemic in January 2020 which saw Britain go in to a 15-week lockdown from the 23<sup>rd</sup> March 2020. As an organisation providing education and care for those young people with EHCPs we were required and committed to staying open during the lockdown so the immediate priorities focused on ensuring the safety of the young people and staff at WESC Foundation.

As we consider what progress we have made against our 2019/20 priorities we will reflect on the impact that has been experienced as a result of the global pandemic.



## Achievements and Performance 2019/2020

### Student numbers

In 2019/20 we started the academic year with 9 students in School and 36 students in College, 45 in total in education. In July we ended the academic year with 9 students in School and 34 in college, 43 in total.

The end of the academic year saw 1 School student move into full time post 16 education. 6 students left College, one remained in WESC Foundation's Supported Living, one moved to full time care placement outside WESC Foundation, two returned to their local authority with access to day services, and two returned home with one of these young people continuing their studies with a local provider.

Again, we see numbers remain constant with previous years, and the need to improve numbers has been identified within the strategic plan. (Objective 3)

This table shows the number of students in School and College at the start and end of academic years from the beginning of the 2017/2018 year until the beginning of the 2020/2021 year.

Year	School	College
2017/2018 (start of year)	13	39
2017/2018 (end of year)	12	37
2018/2019 (start of year)	12	35
2018/2019 (end of year)	13	34
2019/2020 (start of year)	9	36
2019/2020 (end of year)	9	34
2020/2021 (start of year)	8	34

### Young people receiving care and support services

In 2019/2020 we started the year with 33 adults receiving a service in our residential care and community services. We had 1 new starter during the year and 1 young person left. We sadly lost one of young people during the year who had been with WESC Foundation for 6 years and of whom we will have fond lasting memories. We ended the year with 32 young people. This remains an area of growth and the 2019-2024 strategic plan outlines how WESC Foundation will expand these areas. (Objective 3)

This table shows the number of young people receiving a service in our different residential care and community services.

Year	Residential care (St Davids)	Adult day services	Supported living services
2017/2018 (start of year)	14	13	6
2017/2018 (end of year)	14	10	6
2018/2019 (start of year)	17	10	7
2018/2019 (end of year)	16	9	6

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2019/2020 (start of year)	16	10	7
2019/2020 (end of year)	15	10	7
2020/2021 (start of year)	15	10	8

## Education in School and College

Education in the broadest sense is supported at WESC Foundation through a wide range of learning opportunities. Our students are given the opportunity to engage in a number of activities which allow them to embed their formal learning. Whilst during the year we have needed to review the areas our young people can access due to COVID-19 restrictions, we are fortunate that the size of our Topsham road site provided sufficient space for the young people to enjoy activities and learning outdoors. At the start of the year our students continued to in a variety of vocational experiences this was reviewed and limited since March 2020. (Objective 4 & 5)

We always plan many events throughout the year, which enable students to engage in the planning and preparation and develop their creativity. The students have made products for the Christmas Fayre, performed in the Christmas Panto and WESC's Got Talent show. The restrictions of COVID-19 meant that many planned external events were cancelled however, the staff at WESC Foundation thought of new and imaginative ways of ensuring the young people continued to enjoy community events. This included an on-site 'Walk for WESC', a virtual end of year Awards ceremony and weekly 'Star of the Week' assemblies which were pre-recorded and shared with students and families to watch every Friday.

Students have weekly programmes of physical activity ranging from the use of our own pool, our range of adapted bicycles, 'Riding for the Disabled' and therapeutic activities such as Rebound and Hydrotherapy. A group of our students also took on the challenge of walking the equivalent distance of their route for the 2020 Jubilee Challenge as part of the on-site 'Ten Tors' event. Due to the restrictions around the COVID-19 pandemic the main event was cancelled and students instead completed their distance around special routes set on the WESC Foundation campus. As an outdoor event this allowed us to come together as a campus, albeit socially distanced, and celebrate all their achievements. (Objective 1 & 4)

Despite the pandemic we have also continued at pace to develop our new curriculum model. The change to delivery (bubbles, on-site and remote access) allowed us the opportunity to incorporate the new curriculum into the planning for the summer term. There has been greater expectation on staff to work in a multi-disciplinary way throughout the process of creating the framework content. Residential staff, nurses, teachers and therapists have been engaged in the process of sharing their expertise, discussing layout and exploring the key elements of the various frameworks in order to build an approach which meets their needs.

WESC Foundation's curriculum inspires, challenges and empowers each student to live their best life. There are now three pathways; Discovery, Endeavour and Pioneer, with students streamed according to their needs.

Ten frameworks have been created during the 2019/20 academic year. This will ensure that baselining the students has a standardised process which allows meaningful targets to be set to support them in their development of skills.

Each student's progress towards achieving their targets is monitored by the multi-disciplinary approach throughout their waking hours. Tracking of progress is completed through a range of triangulation activities e.g. deep dives, target achievement and accident, incident and behaviour (AIB) data, observation, work scrutiny. It is expected that through clear targets each of students will achieve their outcomes as agreed within their education, health and care plan (EHCP). (Objective 1)

During 2019/20 we strengthened the management of classroom teams to ensure that enablers received effective and timely support and intervention. The Education Support Manager forms part of the school and college leadership structure and monitors and reports on the accident, incident and behaviour logs on a bi-weekly basis. Supervision of the Team Leaders in class is a key aspect of this role in ensuring that the line management of the enablers remains a key focus in supporting improved classroom practice. (Objective 1)

The Education Leadership team which comprises of staff from care, education, health and therapies meet fortnightly. This has had a positive impact on multi-disciplinary working, consistency in working practice and oversight. Collectively they have ensured significant progress has been made against the WESC Foundation improvement plan.

### **Academic results**

There were 9 students in School at the end of the academic year. 1 student was entered for, and completed, an English unit. No School students were entered for any Maths units in 19/20.

All students' progress is monitored through targets, which are set to build towards EHCP outcomes. These 'core' targets are set termly, and have 4 levels of progression: emerging, developing, secure and mastered. These targets are set with the expectation that a student will reach Secure (or Mastered) progress by the end of the term.

In our College, students were entered onto qualifications ranging from Entry 1 to Level 2 with the following awarding bodies: NCFE, Ascentis, ASDAN, OCR, WJEC and BTEC. WESC Foundation continues to tailor the qualifications entered to meet the EHCP (Education and Health Care Plans) for each student. There were 29 separate qualifications gained across the 16 students who gained certification.

These included:

- a BTEC Level 1 Certificate in Creative Media Production
- a NCFE Level 2 Certificate in IT user skills
- an OCR Entry level Introductory Award in Living skills
- 3 OCR Entry Level Extended Certificates in Life and Living Skills.

15 students were entered for units in English, with a total of 22 units expected. 13 units were successfully completed, with 13 students achieving 1 unit. This has resulted in 1 full qualification being achieved in English. 6 students (40%) fully completing the units expected to be completed within the academic year.

Similarly, 15 students were entered for maths units, with a total of 25 units expected. 14 units were successfully completed, with 14 students achieving 1 unit. This has resulted in 6 full qualifications being achieved in Maths. 4 students (27%) fully completing the units expected to be completed within the academic year.

There were 13 students working towards IT qualifications. 10 of these were expected to be completed during 19/20, 1 student completed their qualification.

As with the School students, all College students have termly targets set which build towards achieving their EHCP outcomes. The impact of Covid-19 during the summer term meant that many students were not accessing the site and were being supported remotely through video conferencing in combination with physical learning packs. The learning was overseen by the class lead but delivered by the family whenever possible. We adhered to the advice of the DfE and did not place additional pressure on our families to provide evidence and instead offered guidance where we could. Any evidence shared or collected during video sessions were logged as evidence by the team on site. Work missed and qualifications not yet complete will be finalised during the 2020-21 academic year and submitted for moderation next summer.

During the year those students who reached either Secure or Mastered progress in these core targets were as follows:

#### Autumn Term

School 88% (7/8)

College 47% (17/36)

#### Spring Term

School 63% (5/8)

College 53% (18/34)

#### Summer Term

School 88% (7/8)

College 62% (21/34)

The impact of the COVID-19 pandemic on student attendance, access to equipment and access to a varied timetable of lessons throughout the summer term can be seen in the reduced number of unit achievements, and therefore qualifications, in 2019/20.

## **Work Placements and Supported Internships**

We continue to have success in placing our students in effective work experience placements during the year. Due to COVID restrictions, and some students being at home, some off-site placements were impacted after April 2020. There are plans in place for these to resume, or for new opportunities to be in place from September, COVID permitting.

Work experience placement providers in Exeter included:

- WH Smith (Exeter city centre)
- Station Road Garage (Topsham)
- Café 24 (Countess Wear)
- Oakland Stables (Alphington)
- WESC Foundation Charity Shops (Cowick Street, Heavitree and Sidwell Street)

Work experience placement providers in other areas included:

- WH Smith (Exmouth)
- Open Door Community Centre (Exmouth)
- Cats Protection (Axehayes)
- WESC Country Works (West Hill)

These placements provide the students with valuable employment experiences and preparation for a life beyond WESC Foundation. (Objective 1)

## **Outreach Services**

The Outreach team consists of a visual impairment advisory teacher, a mobility specialist and a braille and access technology specialist. Until March 2020 the Outreach team continued to provide support to mainstream settings to a wide range of students through our specialist visual impairment training and development of staff. The impact of Covid-19 led to this work continuing remotely through a range of distance learning solutions. Beneficiary numbers included 110 students across Torbay schools and colleges. In addition, the team supported 4 adults.

## **School and College Residential Services**

The School and College residential provision remains a key service to facilitate WESC Foundation students to access their specialist education. Approximately 79% of children and young people accessing education required boarding facilities in 2019/20. We also offered a variety of boarding placements including respite, weekly and termly services.

The boarding provision extends opportunities for students to work on objectives set in their individual Education Health and Care Plans (EHCPs), developing life skills in preparation for adulthood. Our boarding students have also taken opportunities to access and discover the local community to utilise and refine their new-found skills.

The refurbished accommodation in Morley and Shepherd, our residential houses for younger students continued to be put to good use and has created an environment conducive with learning and practicing life and living skills. (Objective 5)

During the COVID pandemic we created 'bubbles' within our residential houses with teaching and all therapies taking place in these areas. This allowed the students to continue their studies whilst limiting contact outside the bubbles. Students were also designated a classroom space for their group to access. This allowed them to maintain a degree of familiarity of routine and also gave them a different space to support their wellbeing.

We operated a timetable for shared facilities which allowed spaces such as the discovery garden, park, bicycles etc. to be accessed as a group without the need to mix groups.

'Improving our residential special School to secure a rating of at least Requires Improvement, if not Good' was one of the identified key priorities for 2019/2020. (Objective 1). Following the 'Inadequate' judgement of our Residential School and College in July 2019 a comprehensive improvement plan was written and implemented. We commenced improvement work with a review of the leadership structure to ensure there was sufficient capacity for leaders to be effective in making the change required. This review generated 3 new posts in safeguarding, pastoral support and care, two of these posts were fulfilled within the organisation.

During the year we have reviewed the care plans which are now held electronically and are completed using a multidisciplinary approach. We have reviewed and improved the medication process which includes quality assurance processes and these are already producing positive outcomes. We have begun to improve our residential environments however, these have been limited to available funds as priority had to be diverted to COVID secure measures that were put in place. Just before the end of the year we appointed a Head of Care who comes with a wealth of experience in leading and managing children's social care settings. This appointment completes the Residential School and College leadership structure. Covid-19 posed a particular challenge and a requirement to assimilate local and national guidance for multiple setting types due to the complexity of the WESC Foundation service offer. The implementation of these measures places additional burden on expenditure in particular the procurement of the necessary personal protective equipment.

During the year the strength and knowledge of the on-site nursing team has been invaluable in supporting the organisation to make effective decisions in managing the global pandemic. This has enabled us to react quickly in response to changing Government guidelines and provide a safe place for our young people and staff.

### **Inspections and regulatory framework**

WESC Foundation is regulated under four different inspection regimes – College and School are inspected by the Office for Standards in Education (OFSTED), our Residential Special

School is inspected by Ofsted under the Social Care Common Inspection Framework and St David's residential care home is inspected by the Care Quality Commission (CQC).

During the year there were two formal inspections and one monitoring visit:

- 14<sup>th</sup> & 20<sup>th</sup> November 2019. An inspection of St David's House adult residential provision was rated as **Outstanding** by CQC.
- 10<sup>th</sup> to 12<sup>th</sup> December 2019. School Ofsted full inspection and a Residential Special School monitoring visit. This inspection resulted in the School being graded as *inadequate* and the Residential Special School grade remained *inadequate*.

WESC Foundation is immensely proud of the results achieved by St David's House. The dedicated staff work tirelessly to support the young people who live with us in St David's House, ensuring they have the best opportunities to lead their best lives. We are so pleased that this has been recognised by CQC.

In their detailed report CQC commented that:

"The person-centred culture focused on the promotion of people's rights to make choices and live a fulfilled life as independently as possible."

"There was a happy, engaging and lively atmosphere in the home. Staff were vigilant about supporting people with visual impairment and always communicated using peoples' preferred methods, ensuring people knew what was happening around them"

"Staff were highly motivated to provide people with excellent care."

"The registered persons worked in partnership with other agencies, local businesses and stakeholders to support the development of joined up care. They actively promoted peoples' value within the community and constantly looked for ways for people to be fully embraced within society and for others to understand living with visual impairment and other complex needs. People also were able to tell us how they were passionate about educating society saying, "We can go anywhere, I'm off to work now. I love it!"

CQC also acknowledge the effective use of our quality assurance systems noting;

"Comprehensive quality checks were available in real time as the provider could access a live data recording system which could review all records and incidents instantly and on a regular basis"

Unfortunately, the grades received for the School and Residential School were not what we would have hoped for and we are extremely disappointed with the grades. Nevertheless, the Leadership team have worked throughout the remaining of the year to improve the areas Ofsted judged as inadequate. Some of these improvements were recognised during the residential school and college residential monitoring visit in December 2019. However, it



was noted that the changes made to our safeguarding systems and processes were still not fully formed, effective and embedded. We look forward to sharing our continued improvement at our next inspections.

The current gradings across the provision are:

- School (Ofsted) – Inadequate, December 2019
- College (Ofsted) – Requires Improvement, November 2018
- Residential Special School (Ofsted) – Inadequate, July 2019
- Residential Care (CQC) – Outstanding, November 2019.

A key priority for 2019/2020 was to ensure our School and College are rated as Good <sup>(Objective 1)</sup>. During the year we introduced a new curriculum. Whilst the curriculum was not mentioned in the strategic plan specifically it had been identified as a major concern in the school inspection under the new inspection framework. The curriculum is now clear, and training is underway to ensure that this is understood by all staff and is having a positive impact on learning.

We have moved all classroom enablers into the management structure of the Director of Education and strengthened the management of Team Leaders with the new post of Learning Support Manager.

We have integrated all classes into one area of the campus and invested in the learning environment. This has been a positive outcome from the measure that were initially put in place because of COVID-19.

## **Safeguarding**

Improving safeguarding <sup>(Objective 5)</sup> has been a key priority during the year.

Following concerns raised within the Residential Special School Ofsted and the School Ofsted Inspection, there have been a number of quantifiable improvements made:

In September 2019 we appointed a Head of Safeguarding (Designated Safeguarding Lead). A dedicated role has provided the capacity to enable us to improve practice, oversight and training.

The safeguarding team membership has been reviewed and now includes representatives from all disciplines across the organisation which supports the development of the safeguarding culture. The team now meets weekly and is also aligned to the School and College Education Leadership team who meet fortnightly, this has resulted in a far greater shared knowledge and oversight of safeguarding concerns.

We also created a full-time pastoral care role who is also part of the safeguarding team. The Pastoral lead played a key role during the COVID-19 lockdown ensuring that all young people felt safe and their emotional and mental health needs continued to be effectively

met. Initiatives like chit-chat Thursday were introduced - those who were able to connect remotely were supported to access a weekly chance to speak with their friends and staff.

## **Adult community services**

### **St David's House**

The effects of the COVID-19 pandemic were felt greatly by both those living and working in our adult residential care service, St David's House. The national restrictions and the vulnerabilities of the group have limited the normal opportunities for living a life as part of the local community. However, young people and staff have once again demonstrated their resilience, creativity and good humour to lift each other through such a challenging time. The facilities on our 14-acre site were of huge benefit and greatly utilised to help replace some the activities that have been temporarily suspended.

The majority of works that took place during July and August 2019 to renovate one of the three lodges of St. David's House was completed. This included the redesign and installation of a specially adapted kitchen to create an environment more conducive to practicing life skills. Targeted fundraising of over £65,000 meant we could install equipment such as hydraulically mounted work surfaces, sinks and hobs and pull-down wall mounted units which have created a much more accessible space. Two of the three bathrooms have also been refurbished and now include specialist equipment that enables people to be more independent and autonomous. The remaining works are subject to gaining further fundraised monies. The renovations have had a very positive outcome for those who reside in the house. There is a very real sense of pride for their new spaces. <sup>Objective 4</sup>

### **Adult Day Services**

The WESC Foundation Adult Day Service offers help and support to people aged 18 years and over who are blind or visually impaired. The number of young adults in our Day Service have remained stable throughout the year remaining at capacity for the space available.

The service offers a broad range of activities to develop skills and meet care needs of those who attend. Activities include; crafts, cooking, gardening and music. Access to the specialist onsite facilities is also included e.g. swimming, hydrotherapy or rebound therapy. In addition to Enabler supported activities, some of our young adults' access specialist input from our Therapy team. <sup>(Objective 3)</sup>

The service closed for a brief period as a result of COVID-19. Nearly all those who attend are classed as clinical extremely vulnerable and we worked with them, their families and commissioners to risk assess their attendance during the 'shielding' period.

### **Supported Living**

Four residential houses provide WESC Foundation's supported living offer within the Exeter community. These specially adapted environments provide the perfect opportunity to transition in to living in the local area. Two of the homes are on the Topsham Road, on the edge of, but separate from, the main WESC Foundation campus. Two further properties are

located within the community of a newly built housing estate just one mile away. The houses range in size and adaption from a two-bed wheelchair adapted space, with through floor lift, to five-bedroom homes, all with en-suite bathrooms.

Tenants are supported to integrate into their community, including finding work-based opportunities and social clubs. Staff focus is on empowering individuals to develop life skills and increase their abilities to self-manage. A safe environment gives opportunities for real-life budgeting of everyday bills and income.

This service was impacted to a similar degree as St. David's House as a result of the Covid-19 pandemic. They also found imaginative ways to continue to live a fulfilled life, including a fundraising marathon achieved by one young man in his wheelchair over one week by completing laps up and down his garden path.

### **Therapy and Mobility**

WESC Foundation offers in house therapies in the areas of physiotherapy, mobility training, speech and language therapy, occupational therapy and music therapy.

This allows us to provide a multi-professional timetable tailored to the individual needs of our young people. Targets are set for progress across all these disciplines, with all young people making expected progress in year and in line with their EHCP. The focus over the last year continues to focus on the integration of the therapies as much as possible into the class and care setting to support multidisciplinary working.

The impact of COVID-19 meant changes for the therapy team's way of working. Due to restrictions around pool use they were unable to deliver hydrotherapy and other water based sessions, mobility off site had to be stopped and in order to support the bubbles therapists were not allowed to move between bubbles which meant that they were not able to support all students in their specific interventions. That being said the therapy team being integrated into the house bubble teams allowed a truly multi-disciplinary approach to be adopted which meant the staff in house were supported to upskill themselves through direct support and training from therapists.

### **Social Enterprise**

Social Enterprise is our department that supports young people to access work placements and opportunities through our retail shops, our horticulture sites and our eBay shop. The Social Enterprise team creates income streams for WESC Foundation as well as creating social value.

Whilst the charity shops and our dedicated eBay shop had a positive start to year unfortunately this was one of the areas that were significantly impacted as a result of the COVID-19 pandemic. As a result of the national lockdown all the charity shops were closed on the 24<sup>th</sup> March, with all staff furloughed. At the start of the year the income forecast for Social Enterprise was £370,957, however as a result of lockdown this resulted in an end of year actual income of £260,106. Following Government guidelines, we gradually opened the

shops with increased COVID safety measures in place. Once the shops were re-opened the stalwart staff and volunteers welcomed donations and were able to increase income based on the same period the previous year.

This was the third year of our ongoing relationship with the University of Plymouth. WESC Enterprise hires rooms to the University of Plymouth (UoP) School of Nursing (Exeter) on a daily basis. In addition two of WESC Foundation buildings are leased to the University as part of their Nursing Faculty on a short term basis. (Objective 6) .

COVID-19 restrictions led to students vacating the WESC Foundation campus at Easter but thanks to co-operation from UoP we were able to offer some of their accommodation to the Deaf Academy who had suffered delays in moving to their new Campus in Exmouth.

Our second site at West Hill has developed a new initiative growing and selling fruit and vegetables commercially. This was working well but was temporarily interrupted when some of our restaurant customers had to close. It is hoped that this venture will be expanded next year.

### **Specialist VI services, research and development**

This year we have continued to provide CVI (Cerebral Visual Impairment) range assessments on request to students outside the organisation. Our researcher has engaged with teachers within the school in developing training videos around the self-advocacy of students which enabled them to share their access and assistive technology needs. The primary role of the researcher was in supporting the class teacher to plan the research, construct questionnaires, gather evidence and produce results. The videos produced were then shared with the class team to review their effectiveness as a training tool. (Objective 3)

## Finance and Risk

### Income and Expenditure

This year has been a challenging year financially which has seen the consolidated accounts end on a deficit. The end of year financial statements show a consolidated income for the year as £7,428,024 with expenditure totalling £8,091,015.

As a direct impact of COVID-19 we have seen a loss of income in the following areas against the predicted forecast budget for 2019/2020:

#### Social Enterprise

All of the charity shops closed for the duration on the national lockdown. Once we were able to start trading again this was carried out tentatively and staggered once the premises had been made 'COVID-safe'. As a result, the final income for Social Enterprises was £110,851 under the predicted income as forecasted in the September 2019/2020 budget of £370,957. All staff from the charity shops and eBay were furloughed, whilst WESC Foundation received the furlough grant equating to 80% of salaries available from the Government, all WESC Foundation furloughed staff were paid 100% of their salaries.

#### Fees

WESC Foundation has remained open during the pandemic with students either being taught on site or remotely during the national lockdown. We saw most students return following the lift in restrictions. Whilst the Government confirmed that local authorities would continue to pay fees until July for current places, this did not cover the adhoc respite so many of our students have. As a result, respite fees were £89,045 below the predicted income for the year of £390,679.

#### Health and safety costs

Following a thorough risk assessment and to ensure a COVID-safe environment a number of measures have been put in place, these include (but are not limited to) hygiene stations being placed around the site, plastic screens in administration areas, one way systems, PPE being used by all staff who are in direct contact with students and young people at WESC Foundation, surface disinfection and hand gel continually supplied to all areas. We have increased cleaning regimes and have a process for a 'deep clean' following a suspected or confirmed case. In the reporting period of this report the cost of H&S requirements specifically related to COVID has been in the region of £56k.

#### WESC Enterprises

We were required to close the swimming pool for external use. Plymouth University students remained off site during lock down and then until the end of the term, this resulted in a loss of sales in the WESC Foundation café. The income for WESC Enterprises was below the predicted September's budget forecast of £320,966 by just under £47k.

WESC foundation received a number of grants during the COVID pandemic which totalled £217,854 of which £80k was grants received by the Social Enterprise.

#### Agency staff

Whilst agency costs have remained within budget this year, this is largely due to the redeployment of staff during lockdown, an increase in overtime and a successful recruitment campaign.

#### Site improvement Objective 4

Despite a challenging year we continued to improve areas of the site as identified as one of the key priorities this year, this included:

- installing a new accessible kitchen in one of our residential areas
- redecorating and replacing flooring in the communal areas in one of the residential blocks.
- replacing aging water boilers in our Water Therapy Centre
- continuing our replacement of fire doors across the campus

The above projects were funded through a combination of grants, fundraising and site-improvement budget.

In addition, we withdrew £125,000 from our long-term investments to improve the education areas. The funds supported the following improvements which were carried out during the summer break in preparation for 2020/2021 academic year: Objective 4

- 4 self-contained breakout areas
- refurbishing toilet blocks
- new track hoists in toilet blocks
- new mobile hoists

#### Lease properties

As advised by the Auditors during the August 2019 audit, WESC Foundation instructed a revaluation of the lease properties which are currently leased to Plymouth University. The valuation resulted in an unrealised recognised gain of £326,364. Further details of the valuation are included in the Accounting policy 2e.

Although a very challenging year, as a result of careful in-year budgeting and received COVID-19 grants WESC Foundation reported an operational year end deficit of £202,829 against a predicted reforecast deficit budget of £291,793, excluding any unrealised gains.

WESC Enterprise has had a less successful year than previous years. However, WESC Enterprise still finished the year with an overall surplus of £29,297 which they plan to gift aid to WESC Foundation.

At the year end the Board is reporting a statutory accounts, consolidated deficit of £234,157.

## Reserves and financial health

The Board of Trustees receive monthly management accounts and key performance indicators to ensure oversight of the finances, budgets and spend against budgets together with cash flow, an analysis of debtors and creditors and other key factors which influence our financial well-being.

During the year there are two budget reforecasts to ensure that the budget remains on track as much as possible. As identified above this has been far more challenging this year due to COVID-19. During this process the Director of Quality and Business Resources and Finance Manager meet with all budget holders. This process has been even more crucial this year to ensure potential savings are made wherever possible and relevant.

Restricted funds are managed through the restricted funds panel who meet regularly to review applications made to the panel for specific projects or equipment which directly benefit the young people at WESC Foundation using funds raised that are restricted to certain areas of activity.

WESC Foundation's reserves policy states that we should aim to hold unrestricted reserves of:

4 months Operating Reserves ( <i>free reserves</i> )	£2,500,000
Contingency for death or loss of contract for Service Users (designated Funds)	£ 200,000
<u>Site Improvement (designated Funds)</u>	<u>£ 500,000</u>
<b><u>Total target reserves (including designated funds)</u></b>	<b><u>£3,200,000</u></b>

WESC Foundation calculate operating reserves (free reserves) as that of total charity reserves less fixed assets and restricted reserves.

As of 31<sup>st</sup> August 2020, the operating reserves on the agreed calculation basis were just under 3 months (excluding designated funds). Trustees remain mindful that our current levels are still below the agreed 4 months operating reserves and increasing this remains a priority for the Trustees and Executive team.

The Trustees continue to monitor the ongoing impact of COVID-19. The Trustees have agreed a rolling three year forecast and will continue to monitor in-year performance through monthly management accounts. One of the priorities for 2020/2021 is to increase numbers in School and College and expand Adult Services, which will have a positive impact to the financial position of WESC Foundation, along with the introduction of agreed revised fees from September 2021. Two in-year budget reforecasts allow for updates to be made to ensure the budget remains accurate and responds to in-year changes. The Board monitor financial resilience and currently maintain a reasonable level of reserves. Taking the information available into consideration the Trustees are satisfied that there are no material uncertainties around the ability of WESC Foundation and WESC Enterprise to continue as a going concern for at least the next 12 months.

### **Fundraising and grants**

Fundraising was severely impacted by COVID-19, with many of our events cancelled or postponed due to the pandemic. In addition, we found that some trusts and foundations changed their funding priorities, furloughed staff, or suspending their grants programmes from March 2020.

Unrestricted fundraising realised £47, 937 with restricted fundraising realising £82,133

Trusts and foundations income (for both restricted and non-restricted fundraising) effectively ceased from Spring 2020 until the end of the year.

### **Investments**

Despite a turbulent year within the financial markets the Board is generally pleased with the overall performance of the investments held with Sarasin and Partners:

<b>Fund</b>	<b>Value as of 31<sup>st</sup> August 2019</b>	<b>Value as of 31<sup>st</sup> August 2020</b>
Total value of investments	£1,541,407	£1,518,877

The above August 2020 valuations are after the withdrawal of £125,000 for the education improvement project. The Board remain confident that the funds are being effectively actively managed by Sarasin and Partners and are in accordance with WESC Foundation's Investment policy.

### **Pension Liability**

Staff are ordinarily enrolled in one of four pension arrangements as employees of WESC Foundation. The WESC Pension schemes are with Friends life, (now closed to new entrants), NEST and the Teachers' Pension. As of 31<sup>st</sup> August 2020 there are 12 staff in the Teachers' Pension, 35 are in Friends Life, 165 are in NEST pension scheme and 1 employee has individual pension arrangements.

### **Principal risks and uncertainties management**

The Board of Trustees are responsible for the overseeing of risks faced by WESC Foundation. During 2019-20 the risk register was updated to reflect the new strategic plan. The risk register is reviewed three times a year by the Business Affairs committee with any recommendations for changes being agreed at the Board. Detailed analysis of the risks are delegated to the Executive team, these are identified, assessed and controls established to mitigate the risk. The principal risks that the Board of Trustees identified during 2019/2020 are:

#### **Ofsted grades**

Whilst a number of measures were put in place following the residential special school inspection in July 2019, these were not deemed to be sufficient when the residential special school received a monitoring visit in December 2019 and the inadequate grade remained.



The school was routinely inspected at the same time as the residential monitoring visit which also resulted in an inadequate grade.

Since both inspections, the leadership team have re-written a detailed action plan shared and agreed with both Ofsted and Devon County Council. During the year significant progress has been made against areas identified where improvements were needed.

Grades remaining low, risks the reputation of WESC Foundation and potentially limits our ability to increase student numbers. The Trustee and Executive team are committed to improving the grades as a matter of priority.

#### Safeguarding

This was identified by Ofsted as a weakness in our inspection in July 2019, which they felt created a risk of children and young people not being sufficiently protected from harm. Whilst Ofsted could see improvements being made they did not feel enough improvement had been made when the re-inspected both the residential special school and school in December 2019. As mentioned above a revised action plan has been put in place to improve this area.

#### Student numbers and revised fees (Constraints on Government and Local Authority spending)

The high-needs funding that Local Authorities use to purchase places at WESC is significantly overspent causing commissioners to review their internal budgets and look to reduce costs.

WESC Foundation introduced a revised fee model during 2019/2020 which provides greater clarity and financial viability. It was the aim to introduce the revised fees for 2020/2021. Due to the impact of COVID-19 and the restrictions it has applied to 'normal' workings in all organisations including local authorities, the Board took the decisions to delay implementing new fees until 2020/2021.

Delaying the fee increase will mean that fees will not cover core cost for another year. Increasing numbers to increase the income stream remains a priority.

#### Reduce staff vacancies

We have a high number of vacancies, particularly within St David's House. The risk with carrying too many vacancies are with the consistency in care, increased pressure on current staff and high agency costs.

During the year WESC Foundation reviewed the overtime rate offered to staff with the view to reduce the use of agency staff and to attract new staff. This has resulted in a small drop in vacancies. Work continues to improve this risk.

## Future plans

2019/2020 was the first year of the new strategic plan, despite the impact of COVID-19 significant improvements were made. WESC Foundation are behind in where we planned to be in a number of areas. The priorities for 2020/21 will be:

- **Improve Ofsted grades** to ensure that on re-inspection WESC foundation improve current grades in all education inspections.
- **Promote education services** with the view to increase numbers in both school and college.
- **Expand adult services** - all adult services are predicted to be full by the beginning of 2020/21 therefore we plan to expand these areas.
- **Be financially viable** by ensuring fees charged cover core costs. Project future budgets and identify cost savings and additional revenues.

## Reference and administrative details

**Registered charity name:** WESC Foundation

**Charity registration number:** 1058937

**Company registration number:** 06938379

**Registered office:** Topsham Road, Countess Wear, EXETER, EX2 6HA

**The trustees:** Mr C D Knee (Chair), Mr T D Williams, Mr D J Fargher, Mr A R Leadbetter, Ms T Linehan, Mrs C Edworthy (appointed 26/09/19), Mr A McNicol, Mr P Stagg (appointed 12/12/2019), Mr J Heslop (resigned 27/09/19), Ms Liz Cosford (resigned 12/12/19), Ms Leaine Thompson (resigned 15/01/20)

**Ambassadors:** Michael Caines MBE DL, Judi Spiers

**Chief Executive Officer:** Jane Bell

**Executive Team:** Maureen Biss (Director of HR and Enterprise), Jane Nutt (Director of Quality and Business Resources), Marc Phillips (Director of Care and Support Services), Matthew Smith (Director of Education)

**Company Secretary:** Mrs J Nutt

**Auditors:** PKF Francis Clark, Centenary House, Peninsula Park, Rydon Lane, EXETER, EX2 7XE

**Solicitors:** Michelmores, Woodward House, Pynes Hill, EXETER, EX2 5WR

**Investment Managers:** Sarasin and Partners, Juxon House, 100 St Paul's Churchyard, LONDON, EC4M 8BU

**Bankers:** National Westminster, 59 High Street, EXETER, EX4 3DP  
and HSBC, 38 High Street, EXETER, EX4 3LP

**Insurance:** Venture, Bank House, Burlington Road, Redland, BRISTOL, BS6 6TJ

## Statement of Trustees' Responsibilities

The charity trustees (who are also directors of WESC Foundation for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

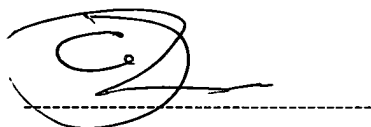
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 charitable company will continue in operation

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

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually made, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees approve the Trustees' Annual Report, including approval in their capacity as company directors of the Strategic Report contained within it, on 12 December 2019.



Mr C D Knee, Trustee

# **Independent Auditors report to the Members of WESC Foundation for the year ended 31 August 2020**

## **Opinion**

We have audited the financial statements of WESC Foundation (the "Charity") for the year ended 31 August 2020 which comprise the Group Statement of Financial Activities, Group and Parent Company Balance Sheets, Statement of Consolidated Cash flows 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), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 August 2020 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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 auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustees' report, (which includes the strategic report and directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the trustees' report have 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### **Responsibilities of the trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 17, the trustees (who are also the directors of the charity 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

### **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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our Report**

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

  
Stephanie Henshaw (Senior Statutory Auditor)

For and on behalf of

PKF FRANCIS CLARK, Chartered Accountants & Statutory Auditor

Centenary House,

Peninsula Park

Rydon Lane,

Exeter, EX2 7XE 16/12/20

## Consolidated statement of financial activities (including income and expenditure account)

31 August 2020

		Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	Note	£	£	£	£
<b>Income and endowments</b>					
Donations and legacies	4	18,397	13,567	31,964	30,104
Charitable activities	5	6,650,145	132,522	6,782,667	7,408,316
Other trading activities	6	286,143	4,736	290,879	242,040
Investment income	7	1,369	-	1,369	13,123
Other income	8	307,790	13,355	321,145	157,163
<b>Total income</b>		<b>7,263,844</b>	<b>164,180</b>	<b>7,428,024</b>	<b>7,850,746</b>
<b>Expenditure</b>					
Expenditure on raising funds	9	257,554	6,289	263,843	274,887
Expenditure on charitable activities	10	7,463,639	363,533	7,827,172	7,646,366
<b>Total expenditure</b>		<b>7,721,193</b>	<b>369,822</b>	<b>8,091,015</b>	<b>7,921,253</b>
Net unrealised gain / (loss) on revaluation of fixed assets	12	326,364	-	326,364	-
Net unrealised gain / (loss) on investments	12	102,470	-	102,470	86,484
Transfers between funds	21	-	-	-	-
<b>Net income/(expenditure) and net movement in funds</b>		<b>(28,515)</b>	<b>(205,642)</b>	<b>(234,157)</b>	<b>15,977</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		7,951,145	1,597,215	9,548,360	9,532,383
<b>Total funds carried forward</b>		<b>7,922,630</b>	<b>1,391,573</b>	<b>9,314,203</b>	<b>9,548,360</b>

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

**Balance Sheet****Year ended 31 August 2020**

		2020 Group	2020 Charity	2019 Group	2019 Charity
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	16	6,653,353	6,653,353	6,912,535	6,912,535
Investments	17a	1,518,777	1,518,877	1,541,307	1,541,407
Investment properties	18	422,500	422,500	-	-
		<u>8,594,630</u>	<u>8,594,730</u>	<u>8,453,842</u>	<u>8,453,942</u>
<b>Current assets</b>					
Debtors	19	430,627	413,989	381,604	332,581
Investments	17b	95	95	95	95
Cash at bank and in hand	25	791,778	761,662	1,159,943	1,108,228
		<u>1,222,500</u>	<u>1,175,746</u>	<u>1,541,642</u>	<u>1,440,904</u>
<b>Creditors: amounts falling due within one year</b>	20	<u>502,927</u>	<u>485,570</u>	<u>447,124</u>	<u>456,331</u>
<b>Net current assets</b>		<u>719,573</u>	<u>690,176</u>	<u>1,094,518</u>	<u>984,573</u>
<b>Total assets less current liabilities</b>		<u>9,314,203</u>	<u>9,284,906</u>	<u>9,548,360</u>	<u>9,438,515</u>
<b>Net assets</b>		<u>9,314,203</u>	<u>9,284,906</u>	<u>9,548,360</u>	<u>9,438,515</u>
<b>Funds of the charity</b>					
Restricted funds		1,391,573	1,391,573	1,597,215	1,597,215
Unrestricted funds		7,922,630	7,893,333	7,951,145	7,841,300
<b>Total charity funds</b>	21	<u>9,314,203</u>	<u>9,284,906</u>	<u>9,548,360</u>	<u>9,438,515</u>

These financial statements were approved by the board of trustees and authorised for issue on 12/12/20, and are signed on behalf of the board by:

.....  
Mr C D Knee

Trustee

Company registered number: 06938379

WESC Foundation

Trustees' Report and Annual Accounts for the year ended 31 August 2020



**Statement of cash flows**  
**Year ended 31 August 2020**

	2020 £	2019 £
<b>Cash flows from operating activities:</b>		
<i>Net cash provided by operating activities</i>	<b>(105,654)</b>	263,104
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	<b>(388,879)</b>	(494,524)
Investment income	<b>1,369</b>	3,576
Proceeds on disposal of investments	<b>125,000</b>	-
<i>Net cash used in investing activities</i>	<b>(262,511)</b>	(490,948)
Change in cash and cash equivalents in the reporting period	<b>(368,165)</b>	(227,844)
Cash and cash equivalents at the beginning of the reporting period	<b>1,159,943</b>	1,387,787
Cash and cash equivalents at the end of the reporting period 25	<b>791,778</b>	1,159,943
Net income / (expenditure) for the period	<b>(234,157)</b>	15,977
Depreciation	<b>551,925</b>	471,675
(Gain)/loss on investments	<b>(102,470)</b>	(86,484)
(Gain)/loss on investments	<b>(326,364)</b>	-
Fees on investments	-	7,908
Investment income and bank interest	<b>(1,369)</b>	(13,123)
(Increase) / decrease on debtors	<b>(49,022)</b>	(93,620)
(Decrease) / increase on creditors	<b>55,803</b>	(39,229)
<i>Net cash provided by operating activities</i>	<b>(105,654)</b>	263,104

# Notes to the financial statements year ended 31 August 2020

## 1. General information

The charity is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Topsham Road, Countess Wear, Exeter, Devon, EX2 6HA. The charitable entity is a public benefit entity.

## 2. Accounting policies

### (a) Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)), the Companies Act 2006 and the Charities Act 2011. There were no material departures from FRS 102 or the Charities SORP (FRS 102).

### (b) Basis of preparation

The financial statements have been prepared on the historical cost basis except to the extent that certain assets are carried at fair value as explained below.

The financial statements are prepared in sterling, which is the functional currency of the entity.

### (c) Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertaking drawn up to 31 August 2020.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

No separate SOFA has been presented for the Charity alone as permitted by S.408 of the Companies Act 2006. The amount of loss dealt with in the parent charity's accounts is £153,609 (2019: profit of £16,985).

### (d) Going concern

In making their assessment of going concern the Trustees have considered cashflow forecasts for the next 12 months and beyond and the impact of Covid-19 on the charity and its subsidiary. They are satisfied that there are no material uncertainties about the group's ability to continue. Further details on this assessment are in the Trustees Report.

**(e) Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the significant judgements that the Trustees' have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Property classification**

Buildings on the charity's site have been leased to a third party. The Trustees' have therefore considered whether the property should be reclassified as an investment property and carried at fair value.

In making their judgement, the trustees' considered the detailed criteria for the classification of property set out in FRS 102 section 16 *Investment Property* and, in particular the strategic direction of these rentals. In the prior year, on the basis that the lease was temporary and the longer-term use of the buildings was undecided the Trustees' concluded that the property should not be reclassified. The classification of these properties has been formally reviewed this year and they have been presented as Investment Property.

In determining a fair value for the investment properties the trustees have taken into account the existence of potentially significant contractual restrictions on the charity's entitlement to benefit from the full value of any sale proceeds. They estimate the restriction would limit the charity's entitlement to some 50% of any proceeds and so have restricted the full open market value of £845,000 to £422,500.

**(f) Fund accounting**

General unrestricted funds comprise accumulated surpluses and deficits on general funds and the cumulative realised and unrealised gains on revaluations of investments. They are available for use at the discretion of the trustees in furtherance of general charitable objectives.

Restricted funds are created where material donations are made specifically for a particular area or purpose. Expenditure is charged in the statement of financial activities subject to the conditions imposed by the donors.

Restricted fixed asset funds represent resources applied for specific capital purposes imposed by funders. Depreciation is charged against the fixed asset fund over the life of the asset.

### **(g) Income**

Income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

#### Donations

Donations are included in full in the statement of financial activities when receivable.

#### Grants

Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Where grants are potentially repayable at the period end, the amount received but unspent has been deferred.

#### Legacies

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

#### Donated services

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

#### Charitable activities

Fee income, outreach income and landlords supported living are recognised in the period to which the income relates.

#### Fees

Fee income comprises amounts receivable from Local Authorities for the provision of education, including boarding, and is recognised on a straight line basis over the academic year. Fees received in advance of the academic year are classified as deferred income

#### Trading income

Trading income comprises amounts receivable in respect of sales from the café, together with the hire of rooms and the swimming pool. Café sales are recognised when the sale is made which is also the point of cash receipt. Room hire and swimming pool income are recognised when used and income is deferred where cash is received in advance.

Property rental income is recognised straight line over the period of the lease.

Income from investments is included in the year in which it is receivable.

### **(h) Expenditure**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expense category to which it relates.

Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises 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.

Governance costs comprise all costs incurred in running the charity itself as an organisation, and its compliance with regulation and good practice.

**(i) Operating leases**

Rentals under existing operating leases are charged as the payments are incurred. For new leases rentals will be charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**(j) Tangible assets and depreciation**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

**(k) Tangible assets**

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Buildings	- 3%-10% straight line
Land	- nil
Motor Vehicles	- 25% reducing balance
Other fixtures, fittings and equipment	- 3-4 years straight line

**(l) Investments**

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

In the company balance sheet investments in subsidiaries are recorded at cost less impairment.

**(m) Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to fair value at each reporting date and any changes in fair value are recognised in statement of financial activities as a gain or loss on revaluation.

### **Financial instruments**

A financial asset or a financial liability is recognised only when the group becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for evidence of impairment at the end of each reporting date. If there is evidence of impairment, an impairment loss is recognised in the statement of financial activities.

### **(n) Retirement benefits**

The Charity's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the WESC Foundation pension scheme with Friends Life which is closed to new entrants and a NEST Pension Scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The Friends Life and NEST pension schemes are defined contribution schemes and the contributions are recognised as they are paid each year.

### **3. Limited by guarantee**

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

#### 4. Donations and legacies

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Donations	18,397	13,567	31,964	30,104
	<u>18,397</u>	<u>13,567</u>	<u>31,964</u>	<u>30,104</u>

Included in the 2020 total of £31,964 is unrestricted income of £18,397 and restricted income of £13,567.

#### 5. Charitable activities

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Educational grants	17,666	132,522	150,188	237,182
Fee income	5,885,328	-	5,885,328	6,292,937
Outreach income	71,649	-	71,649	78,312
Shop income	260,106	-	260,106	336,356
Landlords Supported Living	415,396	-	415,396	463,529
	<u>6,650,145</u>	<u>132,522</u>	<u>6,782,667</u>	<u>7,408,316</u>

Included in the total for 2020 of £6,782,667 is unrestricted income of £6,650,145 and restricted income of £132,522. This year educational grants income includes emergency funding in response to Covid-19.

#### 6. Other trading activities

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Fundraising activities	11,877	4,736	16,613	10,185
Trading subsidiary income	274,266	-	274,266	231,855
	<u>286,143</u>	<u>4,736</u>	<u>290,879</u>	<u>242,040</u>

Included in the total for 2020 of £290,879 is unrestricted income of £286,143 and restricted income of £4,736.

## 7. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income from listed investments	-	-	-	9,547
Bank interest receivable	1,369	-	1,369	3,576
	<u>1,369</u>	<u>-</u>	<u>1,369</u>	<u>13,123</u>

The total for 2020 of £1,369 is unrestricted.

## 8. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Other income	229,079	13,355	242,434	73,894
Premises income	78,711	-	78,711	83,269
	<u>307,790</u>	<u>13,355</u>	<u>321,145</u>	<u>157,163</u>

Included in the total for 2020 of £321,145 is unrestricted income of £307,790 and restricted income of £13,355.

## 9. Raising funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Fundraising costs	128,642	6,289	134,931	128,516
Commercial trading operations	128,912	-	128,912	146,371
	<u>257,554</u>	<u>6,289</u>	<u>263,843</u>	<u>274,887</u>

Included in the total for 2020 of £263,843 is unrestricted expenditure of £257,554 and restricted expenditure of £6,289.



**10. Expenditure on charitable activities by activity type**

	Activities undertaken directly	Support costs	Total funds 2020	Total fund 2019
	£	£	£	£
Teaching and education	1,268,898	-	1,268,898	1,379,209
Learner support services	3,923,596	-	3,923,596	3,613,135
Charity support services	2,204,608	-	2,204,608	2,183,830
WESC charity shops	402,062	-	402,062	448,266
Governance costs	-	28,008	28,008	21,926
	<u>7,799,164</u>	<u>28,008</u>	<u>7,827,172</u>	<u>7,646,366</u>

Included in the total of £7,827,172 (2019: £7,646,366) is unrestricted expenditure of £7,463,639 (2019: £7,313,637) and restricted expenditure of £363,533 (2019: £332,729).

**11. Taxation**

The charity's activities fall within the exemptions afforded by the provisions of sections 466 to 493 of the Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

**12. Net gains on investments**

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Unrealised gains/(losses) on investment assets	428,834	-	428,834	86,484
	<u>428,834</u>	<u>-</u>	<u>428,834</u>	<u>86,484</u>

The total for 2020 of £428,834 is unrestricted.

**13. Net income/(expenditure)**

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

	2020 Group	2019 Group
	£	£
Depreciation	555,152	471,675
Operating lease rentals	98,699	91,771
Auditors' remuneration	15,000	15,000

#### 14. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020 Group £	2019 Group £
Wages and salaries	4,747,370	4,596,586
Social security costs	365,314	353,919
Employer contributions to pension plans	258,728	224,210
Agency staff	625,668	826,367
	<u>5,997,080</u>	<u>6,001,082</u>

Included in staff costs are redundancy payments totalling £5,006 (2019: £25,240).

The average head count of employees during the year was 246 (2019: 253). The number of employees whose remuneration for the year fell within the following bands were:

	2020 Group No.	2019 Group No.
£60,000 to £69,999	2	1
£80,000 to £89,999	1	1
	<u>3</u>	<u>2</u>

Key management personnel are made up of all Executive members (5) and remuneration totalled £316,938 (2019: £336,886).

#### 15. Related party transactions

The charity trustees were not paid and did not receive any other benefits from employment with the charity (2019: £nil). There were reimbursements of expenses to 4 trustees of £1,069 (2019: reimbursements of expenses to 4 trustees of £2,019). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

# **16. Tangible fixed assets (charity and group)**

	Land and buildings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>				
At 1 September 2019	10,513,301	193,676	1,090,977	<b>11,797,954</b>
Additions	-	22,309	366,570	<b>388,879</b>
Reclassification to investment property	(318,817)	-	-	<b>(318,817)</b>
<b>At 31 August 2020</b>	<b>10,194,484</b>	<b>215,985</b>	<b>1,457,547</b>	<b>11,868,016</b>
<b>Depreciation</b>				
At 1 September 2019	4,347,430	104,539	433,450	<b>4,885,419</b>
Charge for the year	262,405	27,862	261,658	<b>551,925</b>
Reclassification to investment property	(222,681)	-	-	<b>(222,681)</b>
<b>At 31 August 2020</b>	<b>4,387,154</b>	<b>132,401</b>	<b>695,108</b>	<b>5,214,663</b>
<b>Carrying amount</b>				
<b>At 31 August 2020</b>	<b>5,807,330</b>	<b>83,584</b>	<b>762,439</b>	<b>6,653,353</b>
At 31 August 2019	6,165,871	89,137	657,527	<b>6,912,535</b>

# **17. (a) Fixed asset investments**

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Investments in subsidiaries	-	100	-	100
Other investments	1,518,777	1,518,777	1,541,307	1,541,307
	<b>1,518,777</b>	<b>1,518,877</b>	<b>1,541,307</b>	<b>1,541,407</b>

# **Investments in subsidiaries (charity)**

The company owns the entire issued share capital of WESC Enterprises Limited. WESC Enterprises Limited, which is incorporated in England and Wales, gift aids its taxable profit to the charity. The registration number of WESC Enterprises Limited is 10535508. The registered office is the same as that of WESC Foundation, as disclosed in the administrative section of the trustee's annual report. The principal activity of the company is running catering services and provision of premises hire.

WESC Foundation

Trustees' Report and Annual Accounts for the year ended 31 August 2020

	2020	2019
	£	£
<b>Summary profit and loss account</b>		
Turnover	274,266	298,855
Cost of sales	(127,233)	(142,261)
	<u>147,033</u>	<u>156,594</u>
Administration expenses	(117,736)	(46,749)
	<u>29,297</u>	<u>109,845</u>
Operating profit	29,297	109,845
Taxation	-	-
	<u>29,297</u>	<u>109,845</u>
Profit for the year	<u>29,297</u>	<u>109,845</u>

**The assets and liabilities of the subsidiary were:**

Current assets	76,419	125,199
Creditors: amounts falling due within one year	(47,022)	(15,254)
	<u>29,397</u>	<u>109,945</u>
Total assets less current liabilities	29,397	109,945
	<u>29,397</u>	<u>109,945</u>
Aggregate share capital and reserves	<u>29,397</u>	<u>109,945</u>

WESC Enterprises Limited will gift aid all taxable profits to its parent charity within 9 months of the year end, therefore there is no requirement to make a provision for taxation in the financial statements.

**Other Investments (Charity and Group)**

	2020	2019
	Listed	Listed
	investments	investments
	£	£
<b>Cost or valuation</b>		
At 1 September 2019	1,541,307	1,445,792
Additions	-	1,405,520
Disposals	(125,000)	(1,340,502)
Fair value movements	102,470	86,484
Movement in cash balances	-	(55,987)
	<u>1,518,777</u>	<u>1,541,307</u>
<b>At 31 August 2020</b>	<u>1,518,777</u>	<u>1,541,307</u>

**Financial assets held at fair value**

All investments are valued at their open market rate at the balance sheet date using readily available market data.

**17. (b) Investments: Current**

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Cash held on deposit	95	95	95	95

**18. Investment Properties**

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
<b>Cost or valuation</b>				
At 1 September	-	-	-	-
Reclassification	96,136	96,136	-	-
Disposals	-	-	-	-
Fair value movement	326,364	326,364	-	-
Carrying value at 31 August	422,500	422,500	-	-

The properties were revalued as at 31 August 2020 on an open market value basis by the trustees after taking appropriate professional advice. The properties are accessed via a private road over which permissive rights exist for educational purposes only. The limitations due to the ownership of the access roads and services to both properties mean that the charity could only expect to realise an estimated 50% of any disposal proceeds. The fair value therefore reflects this restriction.

**19. Debtors**

	2020 Group £	2020 Charity £	2019 Group £	2019 Charity £
Trade debtors	258,113	211,810	211,462	166,171
VAT recoverable	1,104	1,104	107	107
Prepayments and accrued income	164,988	164,988	170,035	166,303
Other debtors	6,422	6,422		
Amounts owed by group undertakings	-	29,665		
	430,627	413,989	381,604	332,581

**20. Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>194,525</b>	<b>183,101</b>	155,253	147,741
Amounts due to group undertakings	-	-	-	24,361
Social security and other taxes	<b>18,875</b>	<b>12,959</b>	96,242	88,662
Other creditors	<b>66,692</b>	<b>66,692</b>	78,091	78,091
Accruals and deferred income	<b>222,835</b>	<b>222,818</b>	117,538	117,476
	<b>502,927</b>	<b>485,570</b>	447,124	456,331

Deferred income comprises grant and fee income that relates to future periods which has been received in advance.

Deferred income comprises the following:

	<b>Capital grants</b>	<b>Charitable activities</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 September 2019	-	20,015	<b>20,015</b>
Deferred in current period	-	(6,868)	<b>(6,868)</b>
Released to Statement of Financial Activities	-	21,791	<b>21,791</b>
At 31 August 2020	-	34,938	<b>34,938</b>

	At 1 September 2019	Income	Expenditure	Transfers	At 31 August 2020
	£	£	£	£	£
<b>Restricted fixed asset funds</b>					
St David's House Appeal	508,449	-	(49,037)	-	459,412
Water Therapy Pool	366,585	-	(24,801)	-	341,784
Topsham Road	16,356	-	(3,223)	-	13,133
Other	312,098	-	(137,971)	74,162	248,289
	<u>1,203,488</u>	<u>-</u>	<u>(215,032)</u>	<u>74,162</u>	<u>1,062,618</u>
<b>Restricted general funds</b>					
Day services	4,460	-	-	-	4,460
Site development	88,859	44,979	(71,321)	(26,321)	36,196
Activities for young people	107,564	1,292	(3,680)	(23,393)	81,783
Supporting independence	74,478	31,233	(6,866)	(24,452)	74,393
Vehicle & transport	28	-	-	-	28
Research	10,593	1,192	(2,998)	-	8,787
Miscellaneous	6,131	2,438	(720)	4	7,853
<b>Grants</b>					
Pupil premium	11,737	555	(4,305)	-	7,987
Bursaries and grants	12,061	2,537	-	-	14,598
ESFA/DFC	51,682	65,600	(51,682)	-	65,600
Access to work	19,282	8,472	(13,427)	-	14,327
Student purchases	6,777	4,882	(4,831)	-	6,828
Talking tills	75	-	-	-	75
Family fund	-	1,000	(480)	-	520
Education	-	-	5,520	-	5,520
	<u>393,727</u>	<u>164,180</u>	<u>(154,790)</u>	<u>(74,162)</u>	<u>328,955</u>
Total	393,727	164,180	(154,790)	(74,162)	328,955
Total restricted funds	1,597,215	164,180	(369,822)	-	1,391,573
Designated funds – contingency	200,000	-	-	-	200,000
Designated funds – site improvement	500,000	-	-	-	500,000
General unrestricted funds	7,251,145	7,263,844	(7,721,193)	428,834	7,222,630
	<u>7,951,145</u>	<u>7,263,844</u>	<u>(7,721,193)</u>	<u>428,834</u>	<u>7,922,630</u>
Total unrestricted funds	7,951,145	7,263,844	(7,721,193)	428,834	7,922,630
Total funds	<u>9,548,360</u>	<u>7,428,024</u>	<u>(8,091,015)</u>	<u>428,834</u>	<u>9,314,203</u>

## **21. Analysis of charitable funds (group)**

Notes – The Transfers include capital items transferred to restricted fixed assets funds and movements on the valuation of investments and investment property.

The St David's House appeal was towards the building of a special unit to house children who are not only blind but also have other severe handicaps.

The Water Therapy Pool fund was established to create a new pool for therapeutic, sporting and recreation purposes.

Topsham Road fund was used to help purchase a property which will be used as a transition house for students of the College.

Other fixed asset funds are donations which have been received to purchase specific equipment which has been capitalised.

### Pupil Premium

Additional funding received from local authorities target those students from low income families who need the most in order to raise attainment.

### Bursary & grants

Funds received from the ESFA to support young people (post year 11) in need of financial support meet additional costs to help them remain in full time education.

### Day Services

Funds used for the benefit of young adults attending Adult Day Services at WESC Foundation.

### Activities for young people

To fund interactive activities for students and young adults at WESC Foundation.

### Supporting Independence

Funds used to provide equipment and opportunities in all areas of WESC Foundation to help enable the engagement and independence of students and young adults in daily activities.

### Site Development

Funds used for the improvement and renovations of the WESC Foundation site for the benefit of the students and young adults.

### Vehicle & Transport

To fund the requirement for vehicles at WESC Foundation used for the mobility of students and young adults so they can access activities off-site.

### Research

Restricted funds used for specific research projects at WESC Foundation specifically around visual impairment and multi-sensory disability. Examples have been the Comic Relief funding of the development of the Eyelander Game.



#### Enterprise

Funds used to promote social enterprise at WESC Foundation, to ensure space and equipment facilitate student's engagement in social enterprise.

#### EPOS/Till System

Funds used to create a specialised talking till system for VI

#### ESFA/DFC

Annual grants and/or bursaries received from the Department for Education and/or ESFA to help maintain and improve the condition of School buildings and grounds.

#### Access to work

Monies received to support individuals in the workplace and those requiring reasonable adjustments.

#### Student Equipment

Money received from LA's as part of a services user's package designated for specific specialist equipment.

#### Family Fund

Assist families with one-off travel costs for events at WESC foundation.

#### Education pods

To fund standalone education pods to provide additional breakout areas for students.

### **22. Analysis of net assets between funds (group)**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	5,665,301	988,052	6,653,353
Investments	1,518,777	-	1,518,777
Investment properties	422,500	-	422,500
Current assets	813,895	408,605	1,222,500
Creditors less than 1 year	(497,843)	(5,084)	(502,927)
<b>Net assets</b>	<b>7,922,630</b>	<b>1,391,573</b>	<b>9,322,203</b>

## 23. Prior year restricted funds note and analysis of net assets between funds

	At 1 September 2018	Income	Expenditure	Transfers	At 31 August 2019
	£	£	£	£	£
<b>Restricted fixed asset funds</b>					
St David's House Appeal	557,486	-	(49,037)	-	508,449
Water Therapy Pool	391,386	-	(24,801)	-	366,585
Topsham Road	19,579	-	(3,223)	-	16,356
Other	172,939	-	(104,682)	243,841	312,098
<b>Total</b>	<b>1,141,390</b>	<b>-</b>	<b>(181,743)</b>	<b>243,841</b>	<b>1,203,488</b>
<b>Restricted general funds</b>					
Day services	5,354	1,172	(2,066)	-	4,460
Site development	149,143	127,805	(57,099)	(130,989)	88,860
Activities for young people	136,649	20,074	(12,435)	(36,723)	107,565
Supporting independence	99,751	7,792	(4,347)	(28,720)	74,476
Vehicle & transport	22,664	4,500	(729)	(26,407)	28
Research	7,093	3,680	(180)	-	10,593
Miscellaneous	7,514	277	(1,660)	-	6,131
Social enterprise	42,176	-	-	(42,176)	-
<b>Grants</b>					
Pupil premium	9,594	11,570	(4,539)	(4,888)	11,737
Bursaries and grants	5,425	9,544	(2,908)	-	12,061
ESFA/DFC	-	51,682	-	-	51,682
Access to work	-	43,253	(23,971)	-	19,282
Student purchases	-	19,708	(12,931)	-	6,777
Talking tills	-	7,695	(33,682)	26,062	75
<b>Total</b>	<b>485,363</b>	<b>308,752</b>	<b>(156,547)</b>	<b>(243,841)</b>	<b>393,727</b>
<b>Total restricted funds</b>	<b>1,626,753</b>	<b>308,752</b>	<b>(338,290)</b>	<b>-</b>	<b>1,597,215</b>
Designated funds - contingency	-	-	-	200,000	200,000
Designated funds – site improvement	-	-	-	500,000	500,000
General unrestricted funds	7,905,630	7,541,994	(7,582,963)	(613,516)	7,251,145
<b>Total unrestricted funds</b>	<b>7,905,630</b>	<b>7,541,994</b>	<b>(7,582,963)</b>	<b>86,484</b>	<b>7,951,145</b>
<b>Total funds</b>	<b>9,532,383</b>	<b>7,850,746</b>	<b>(7,921,253)</b>	<b>86,464</b>	<b>9,548,360</b>

Notes – The Transfers include Capital Items & Adjustments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	5,709,047	1,203,488	6,912,535
Investments	1,541,307	-	1,541,307
Current assets	1,142,831	398,811	1,541,642
Creditors less than 1 year	(442,040)	(5,084)	(447,124)
Net assets	<u>7,951,145</u>	<u>1,597,215</u>	<u>9,548,360</u>

#### 24. Operating lease commitments (Group)

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	85,427	98,699
Later than 1 year and not later than 5 years	25,393	102,352
	<u>110,820</u>	<u>201,051</u>

#### Operating leases - lessor (Group)

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	19,300	19,300
Later than 1 year and not later than 5 years	16,550	35,850
	<u>35,850</u>	<u>55,150</u>

#### 25. Analysis of cash and cash equivalents (Group)

	2020 £	2019 £
Cash in hand	791,778	1,159,943
	<u>791,778</u>	<u>1,159,943</u>

## 26. Financial instruments

### Categorisation of financial instruments

	2020	2019
	£	£
<b>Financial assets:</b>		
Measured at fair value	1,941,277	1,541,307
Measured at amortised cost	258,113	211,462
	<u>          </u>	<u>          </u>
<b>Financial liabilities:</b>		
Measured at amortised cost	261,217	233,344
	<u>          </u>	<u>          </u>

## 27. Pensions and other post-retirement benefits

The Charity's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the WESC Foundation pension scheme with Friends Life which is closed to new entrants and a NEST Pension Scheme.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016.

Contributions amounting to £12,959 (2019 - £32,709) were payable to the schemes at 31 August and are included within creditors. The amounts recognised in income or expenditure as an expense in relation to defined contribution plans was £258,728 (2019: £224,210).

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (this includes an additional 0.8% following agreement between the Department for Education and HM Treasury to delay the increase in employer contribution rates until 1 September 2019, and also an additional 0.08% employer administration charge)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- The assumed real rate of return is 2.8% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.86%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the TPS is as at March 2016, whereupon the employer contribution rate has increased as per above and was payable from 1 April 2019.

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

## Acknowledgements

WESC Foundation would like to thank the following people for their support during 2019/20:

Jacqui Taylor of Otter Nurseries for her continued generosity and financial support to our West Hill horticulture and enterprise site

Our shop volunteers across all five of our charity shops – Honiton, Sidmouth, Exeter Heavitree, Exeter Sidwell Street and Exeter Cowick Street

All our partner work placement employers

Our amazing and dedicated staff team

The parents and carers of our young people

Our Trustees who give their time and expertise so generously

Volunteer groups from:

- The Axewoods Cooperative
- The University of Exeter
- Exeter College

Generous donations from:

- The Co-Op Community Fund
- The Norman Family Charitable Trust
- The Alice Ellen Cooper Dean Charitable Foundation
- The Clothworkers Foundation
- The Northbrook Community Trust
- The Gibbons Family Charitable Trust
- The William Kenneth Hutchings Charitable Trust