



*Making the difference*

# Chief Executive's Report

November 2015

## Financial Information abstracted from the Audited Accounts for the year ending 31 March 2015

The figures used in this article are taken from the Auditor's Report for the 2014 – 2015 Financial Year. The headline financial news is included in the report of the Directors and Trustees but the following financial information is worth highlighting:

- Income declined slightly by £965 from £1,631,559 to £1,630,594 but Debtors increased by £5,689 from £25,962 to £31,651 simply because capital project pre-payments were slightly more. These trends are not significant.
- Net Current Assets increased by £17,123 from £1,294,337 to £1,311,460. Total Funds now stand at £5,998,880.
- Tangible Fixed Assets dropped with depreciation by £86,089 from £4,773,509 to £4,687,420. Depreciation is a more significant sum than hitherto as a result of the highly commendable development of the asset value of the charity arising from the purchase of the Vranck House site and the development of the new Specialist Children's Assessment Centre.
- With Depreciation carried as a non-monetary expense the charity made an operating loss of £68,966 but with Depreciation discounted a net cash surplus of £55,488 was generated (£33,242 last year).
- It is a commendable reflection of internal fiscal controls that total expended resources decreased in the year under audit by £40,220.
- We have maintained the high number of pupils in the school and outpatients seen by the clinic whilst continuing investment in the buildings at Vranck House and in the Inclusion and IT services.

The Trustees agreed a programme of capital investments for the Financial Year which provided for continuing maintenance of the Vranck House estate (mostly for rebuilding interior rooms at Vranck House) and for further investment in the Hydrotherapy Pool and the New Honeylands building.

### Profit & Loss Account

ELEMENT	2015	2014	2013
Gross Income	£1,630,594.00	£1,631,559.00	£1,620,685.00
Gross Expenditure	£1,699,560.00	£1,739,780.00	£1,623,075.00
Cash Gain/Loss for the Year	£-68,966.00	£-108,221.00	£-2,390.00
gain/loss less Depreciation	£55,488.00	£119,784.00	£123,795

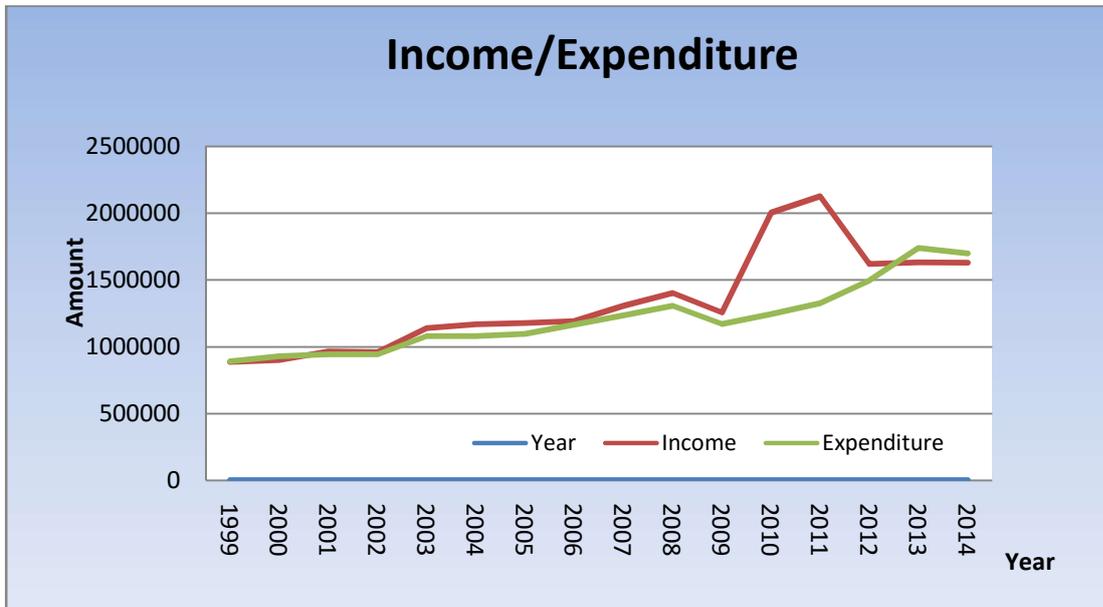
### Summary of Key Financial Ratios:

Debtors as a Percentage of:	2015	2014	2013	2012
Total Funds	0.53%	0.43%	0.70%	1.00%
Creditors as a Percentage of:				
Current Assets	5.00%	11.80%	7.60%	7.50%
As a Percentage of Total Funds				
Profit/Loss for the Year	0.90%	1.98%	2.00%	13.50%
Revenue Costs	3.80%	6.90%	7.70%	3.00%



1. Profit is shown net of depreciation.

**Income & Expenditure Trends**



**Notes:**

1. Expenditure is unadjusted and includes the non-monetary expenditure of depreciation.
2. The Auditor's Report for 2014/15 is available on request at a cost of £2.00 per copy but may be viewed at no cost but by prior arrangement at Vbranch House or on the Charity Commission website at [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk).

**Future Plans**

The charity's strategic objective for the next five years is to embody and develop the contract partnership with Devon County Council and the NHS North, East & West Devon Clinical Commissioning Group. The immediate objective is to continue to demonstrate performance compliance with the requirements of the joint contract and to continue to fund service objectives so that all the benchmarks are exceeded (as they were in 2015). In the longer term, the Charity aims to continue development of its services, continue the investment programme by further developing charitable income and work with its partners to respond to financial retrenchment by adaptive working practises. Our long established financial policy of holding reserves amounting to no less than a year's operating costs has proved its worth on many occasions. Given the uncertainty and instability of the financial markets and the continued imperative of national fiscal discipline we intend to maintain and further develop this reserve. The policy of not charging capital costs in any of our contracts forms the basis of our charitable benefit by contributing significantly to the 54% of the costs of the statutory services we provide. It should be noted that our statutory partners have frozen our funding at 2008 levels; that in 2016 we are embarking on what well may be an ninth year without any provision for inflation. This inevitably means that the level of contribution this charity makes to statutory services must increase or the high standard of the services we provide to the Public on behalf of the State will suffer. It is, however, highly unlikely that this can continue and work is in hand to redress the imbalance. The Trustees have approved a £0.4m investment to replace the hydrotherapy pool building and plant in the period of January to May 2016.

Colonel Graeme Wheeler  
Chief Executive

