



*Making the difference*

# Chief Executive's Report

November 2020

## Financial Information abstracted from the Audited Accounts for the year ending 31 March 2020

The figures used in this article are taken from the Auditor's Report for the 2019 – 2020 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 increased by **£279,699** from £2,106,554 to £2,386,253 largely as a consequence of the significant increase in the pupil population in Vranck House school.
- Net Current Assets, one of our most important Performance Indicators, increased by **£206,385** from £1,639,684 to £1,846,069 as a result of increased income and, despite the increase in employed staff, and increase in Expenditure of £86,852. Total Net Assets increased by **£398,372** from £6,554,036 to £6,952,408.
- With Depreciation of £158,337 carried as a non-monetary expense the charity made an operating surplus of £47,387 (the cash surplus of minus depreciation). The surplus was significantly impacted on by the start of the building of the Innwalk suite during this financial year.
- The number of pupils in the school has increased and the number of outpatients seen by the clinic has been maintained. The charity continues its program of capital investment in the buildings at Vranck House and in the services hosted by it.

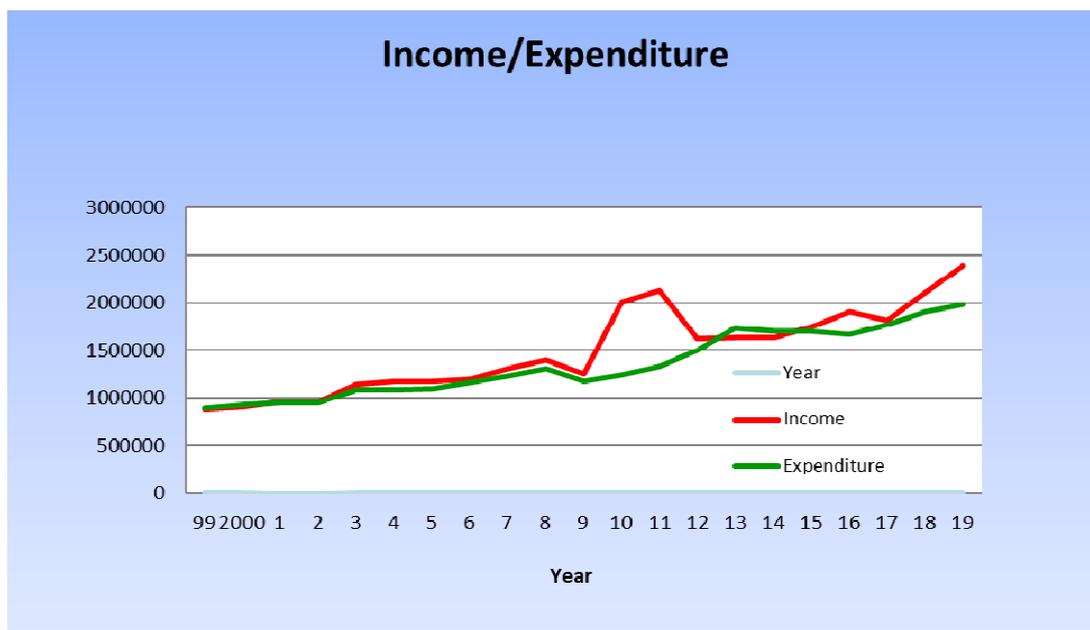
The Trustees agreed a programme of capital investments for the Financial Year which provided for continuing maintenance of the Vranck House estate (mostly for rebuilding interior rooms at Vranck House) and we commenced building an additional space called the innwalk suite and replaced a single storey wooden store with a brick built 2 storey store with lift to be fitted for access.

### Profit & Loss Account

ELEMENT	2020	2019	2018
Gross Income	£2,386,253	£2,106,554	£1,817,082
Gross Expenditure	£1,987,881	£1,901,209	£1,766,973
Cash Gain/Loss for the Year	£47,387	£249,717	£50,109
gain/loss less Depreciation	£205,724	£365,778	£194,549



**Income & Expenditure Trends**



**Notes:**

1. Expenditure is unadjusted and includes the non-monetary expenditure of depreciation.
2. The Auditor's Report for 2019/20 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**

Our short term plan is to follow local and national guidelines, and work with local authorities and other children's services, to work to support the children and families whom we provide a service during the current pandemic.

The charity's strategic objective remains the same 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 our contracts and to continue to fund service objectives so that all the benchmarks are exceeded (as they were in 2019/20). 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 59% of the costs of the statutory services we provide. It should be noted that our NHS income has been frozen at 2008 levels so that in 2020/21 we will embark on what will be a thirteenth 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 authorised investment to continue the programme of buildings and equipment development and maintenance in 2020.

Kate Moss (current Chief Executive), on behalf of Graeme Wheeler, Chief Executive until July 2020.

